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LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS DEPARTMENT ON PAGE 20

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The Nation's Business

- Banks' Relations to Investor
- Solution Needed from Macmillan Commission
- Inflation in the Grand Manner in the U. S. A.
- Who Pays if Solloway Doesn't?

The Banks' Rôle In Security Sales

LORD MACMILLAN has intimated that the report of the Royal Commission on banking is about to be presented to the Cabinet by Prime Minister Bennett. It is very quick work even if the document is subject to some revision.

It is to be hoped that no important phase of Canadian banking has been overlooked in the rush. In this connection, the banks' activities in the bond business should not be forgotten. This vexatious question was not given the attention it deserved at the time of the last revision of the Bank Act.

Because of the important evidence submitted, it would seem probable that the commission will make definite recommendations on this question in its report. The interests of investors, bond dealers and the banks will benefit if a satisfactory delineation is made between the functions of security dealers and banks. It is essential that this be done soon.

There are at least two phases of this problem which can be settled now. The banks should withdraw from underwriting and marketing corporation securities as principals, and security dealers should resign themselves to the banks acting as agents for investing clients.

* * *

THE danger to bank prestige in acting as principals in corporation underwritings has been amply illustrated by their participation in marketing such unsuccessful issues as Canada Steamship Lines bonds, now in default, and Ontario Power Service bonds, which defaulted within two years of the offering. If banks merely accepted orders for such bonds from clients, on request, without accepting the responsibility of underwriters, the risk of loss of prestige would be avoided.

There are investors who prefer to place orders for all kinds of securities, even for stock speculations, through their banks. For handling this business banks are entitled to a commission. But they need not and should not accept any more responsibility than obtaining for the customer the best available price.

During the last few years, The Financial Post has presented both the banks' and the bond dealers' sides of this question, with due consideration of the investor's interests. For the benefit of investors banks should be allowed to act as commission agents for the execution of orders for all types of securities. That is what investment bankers must accept. For the benefit of their own prestige and morale, banks should abstain from seeking underwriting profits and consequent responsibility for corporation securities. That is what the commercial banks should be asked to recognize.

* * *

Inflation and More Inflation

IS FRANKLIN D. ROOSEVELT now facing the supreme test of his statesmanship? So it is argued in many quarters. Two very positive statements have been made by scores of commentators on the American situation in the last few weeks. The first is to the effect that since the National Recovery Act is getting nowhere, it will be necessary for the United States to indulge in direct inflation or see its great experiment fail completely. The second statement is to the effect that if Roosevelt does not inflate Congress will. The N. R. A. has succeeded in increasing costs in the United States and in putting many men back at work, but it has not succeeded and does not seem likely to succeed in supplying sufficient additional buying power to cover additional costs and more rapidly increasing inventories. Recognizing this situation, the fiat money enthusiasts have been attempting to force a showdown at Washington. The resulting spectacle has been paradoxical. First, the stock market and the bond market sold down because the threat of inflation caused an outflow of funds from the country. And then the stock market sold down further when various statements issued from Washington

(Continued on page 2, col. 3)

Bowater-Sweezey Plan for Price Bros. Has Board Approval

Stadler, Drury, Harry Oakes, D. I. MacLeod and Others in Group

NEED $5,000,000

Many Matters to be Settled Before Control of Firm Passes to Bowater Syndicate

From Our Own Correspondent

MONTREAL.—Eric Bowater and R. O. Sweezey have successfully negotiated the first of many hurdles to be overcome before they finally secure control of the valuable, though bankrupt, property of Price Bros. and Co.

Their plan for the rehabilitation of the company, submitted by way of the Bowater's Paper Mills Ltd., has been approved by the Bondholders' Protective Committee.

This approval, contrary to general belief, does not carry with it immediate control of the property. The plan submitted must be approved by the bondholders, creditors, stockholders and others having a voice in the disposition of the company's assets. This will necessarily take many months.

For some time past the Committee has been studying different proposals offered for the reconstruction of Price Bros. Consideration eventually boiled down to those submitted by the Bowater-Sweezey syndicate and by the Duke, Price Power interests.

Personnel of Syndicates

Back of the approved offer submitted by the Bowater's Paper Mills is a group headed by Eric Bowater, head of the English paper firm sponsoring the plan; R. O. Sweezey, long associated with the pulp and paper industry and promoter of the Beauharnois Power project; John Stadler, connected for many years with Biermans in the operation of the Belgo mill and later identified with the construction of the Corner Brook and Dolbeau newsprint mills; Harry Oakes, of Lake Shore Gold Mines fame; Victor M. Drury, investment banker and president of the E. B. Eddy Co.; D. I. MacLeod, Toronto investment banker; and others in Ontario and Quebec.

Formidable opposition to the Bowater-Sweezey syndicate has been put forward by Duke, Price. Back of the plan submitted by this opponent is the Duke, Price Power Co., Aluminium Ltd., and Lord Beaverbrook, Canadian-born English peer and large holder of Price Bros. common stock, as well as its principal newsprint customer.

For a time it was considered that the Duke, Price plan, with its strong backing, would be endorsed by the Committee. The entry of Eric Bowater into the Sweezey syndicate strengthened this group, which succeeded in having its plan adopted.

Possible Terms of Offer

While the Committee has not made public any details of the approved plan it is understood the Bowater scheme provides for the provision of adequate working capital; taking care of the first mortgage bonds; arrangements with the creditors; and an offer to present preferred and common shareholders to subscribe to the new capital on favorable terms.

In respect to working capital it is said that the syndicate will put up nearly $5,000,000, all of which has been underwritten. The preferred and common stockholders, whose equity will in all likelihood be wiped out, will be offered participation in the rehabilitation on terms approximating those of the syndicate members.

It is likely the detailed scheme will provide for the extension of the maturity of the present mortgage bonds; deferment of sinking fund payments; and the payment of interest on such terms or conditions as will provide the enterprise with a chance to strengthen its finances without being unduly handicapped by interest charges.

Several obstacles may have to be

(Continued on page 2, col. 5)

Report on Banking Due in November

By Staff Editor

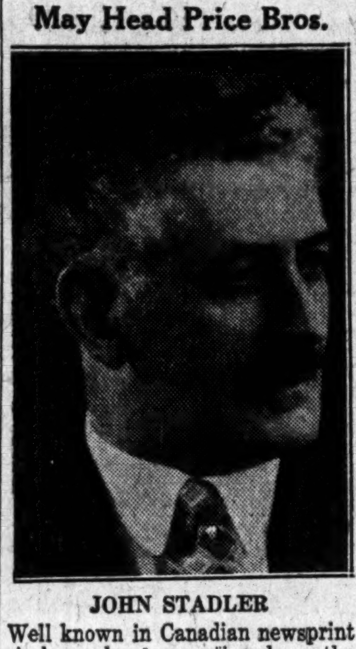
OTTAWA.—Report of the Royal Commission on banking will be made public in about six weeks, it is learned on good authority. This indicates that it will be made public some time in November, after Mr. Bennett returns from his tour of Western Canada.

Lord Macmillan was recently reported in the daily press as suggesting that the report would be out next week. This impression was incorrect. What the chairman of the commission meant was that the draft report would be ready for Mr. Bennett next week.

The commission failed to reach an accord on the question of setting up a central bank in Canada.

This indicates that three of the commission — Lord Macmillan, Sir Charles Addis and Premier J. E. Brownlee — have reported in favor of the central bank while Sir Thomas White and Beaudry Leman are opposed.

May Head Price Bros.



JOHN STADLER

Well known in Canadian newsprint circles, who is mentioned as the likely head of Price Bros. & Co. Mr. Stadler has been connected at different times with the Belgo, Corner Brook and Lake St. John mills.

OTTAWA REPORTS C.P.R. BANK LOAN IS GUARANTEED

Liberals Said to Have Approved Action by Cabinet

Ottawa reports that the Government has pledged its credit to guarantee $60,000,000 of advances to Canadian Pacific Railway, made by Canadian banks, remain officially unconfirmed. Banks, when queried, stated that they could not discuss the affairs of their clients. E. W. Beatty, chairman of the railway, was not at his office in Montreal. The Government has issued no statement.

Authority for the statement was an Ottawa dispatch to the Toronto Globe, reading in part:

"The Dominion Government is understood to have facilitated refunding operations of the Canadian Pacific Railway totalling in the neighborhood of $60,000,000. To provide for maturities which could not advantageously be taken care of in the London or New York markets, the Government pledges its security to the Canadian banks, which have advanced the necessary credit to the Canadian Pacific Railway.

"As in the case of the advances in respect to wheat pool financing, the Government took action by Order-in-Council, having power to do so either under the 'peace, order and good government' legislation, or the Finance Act, which confer authority upon the Cabinet to deal with matters of national emergency."

Liberals Consulted

OTTAWA.—While the Federal guarantee of the credit of the Canadian Pacific Railway may occasion criticism from the C. C. F. group in Parliament, there is no indication on Parliament Hill that it will be a matter of controversy between the government and the opposition.

There is reason to believe that the Liberal opposition was consulted before the government made the decision and that what was done represents the views of both parties as the action that should have been taken in the circumstances. As the matter is understood here, the government guarantee does not suggest fundamental weakness on the part of the Canadian Pacific Railway. The road had to meet some $60,000,000 of maturing debentures and the money markets at the moment were most unfavorable. Rather than permit the Canadian Pacific to fail to meet the debentures or to be charged excessive interest rates for money, the cabinet agreed to guarantee the banks against loss in advancing the necessary cash to meet the maturities.

If present conditions continue, it is considered by no means improbable that the Canadian Pacific will require further guarantees and there is no reason to believe these will not be forthcoming.

National Grocers Defers Paying Pref. Dividend

Payment of the quarterly dividend of $1.75 per share normally due October 1 on its 7 per cent preferred shares has been deferred by National Grocers Co. in order to maintain liquid position. The last dividend was paid on July 3 but the stock has not been on a regular dividend basis since 1930.

While earnings of the company showed improvement in the year ended June 30, 1933, and full preferred dividends were more than earned, the retirement of $1,086,500 of 6½ per cent notes that fell due in August, 1932, was made possible only through a bank loan which amounted to $992,560 at June 30, 1933. To date this loan has not been funded although $1,500,000 of first mortgage bonds has been authorized.

Operating profit, after all charges, amounted to $308,628 in the last fiscal year and if no preferred dividends were paid the present bank loan could be paid off in three years out of earnings.

UNITED STEEL MAKES OFFER TO DODGE MFG.

New Corporation May Acquire Other Steel Companies

HAS $500,000 CASH

Standard Steel May be Included Later — T. J. Dillon, Salter Hayden on United Steel Board

An offer made by United Steel Corp. for the assets, undertaking and goodwill of Dodge Manufacturing Co. may prove to be the first step in the development of a new company which is expected to absorb several Canadian companies engaged in manufacturing structural steel, building and conveying equipment. Just what companies are to be acquired and just what field United Steel Corp. will cover is not divulged but evidence points to activity of United States interests.

Granted a Dominion charter late in September, United Steel Corp. had, at September 25, $500,000 cash in bank against which had been issued 5,000 class B preference shares carried at $470,000 and 150,000 common shares carried at $30,000. Directors of the company include P. R. Gardiner, temporary president; Salter A. Hayden, secretary and T. J. Dillon. Mr. Gardiner is head of Gardiner, Wardrope & Co., a Toronto Stock Exchange firm, and is vice-president and director of Atlantic Sugar refineries, Ltd. Salter Hayden is a barrister, director of several companies, including Standard Steel Construction Co. and Atlantic Sugar Refineries Ltd., T. J. Dillon, is president and general manager of Standard Steel Construction Co., was formerly president and general manager of Canada Foundries & Forgings Ltd., and has close connections in the steel industry in the United States.

May Include Standard Steel

Presence of Mr. Hayden and Mr. Dillon on the board of United Steel Corp. might be taken as an indication that acquisition of Standard Steel Construction Co. is contemplated later, but it is understood that no advances have been made to date. Early in September, rumor to the effect that there was to be a merger between Standard Steel and Dodge Manufacturing Co. was denied by Dodge officials. Dodge Manufacturing Co. will be represented on the United Steel board by three directors yet to be named; a seventh director will also be appointed.

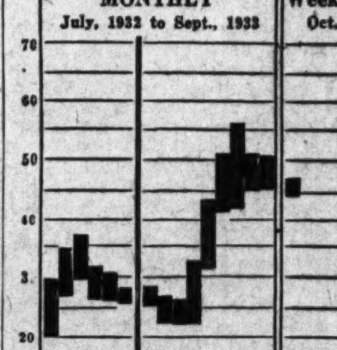
It is understood that United Steel Corp. proposes to acquire companies with lines that are somewhat complementary and that activities will be similar to those of Dominion Bridge Co. Dodge Manufacturing Co. manufactures power transmission machinery, elevating and conveying equipment, materials handling equipment and special mining machinery. Its subsidiary, Canadian Mead-Morrison Co., manufactures coal bridges, coal handling equipment, dredges, scows, steam and electric hoists, buckets and derricks. Standard Steel Construction Co. produces structural steel for buildings, bridges, etc., and has Canadian rights to manufacture Blaw-Knox patented batchers and mixers and other steel equipment for roadmaking and paving. If the St. Lawrence waterways development goes forward demand could be expected to improve materially for most of the above lines.

T. A. McAuley, president and managing director of Dodge Manufacturing, informs The Financial Post that it is proposed that United Steel will have complete facilities for the manufacture of structural steel, bridge work and a complete line of mining machinery. First action of the new company will be to consolidate operations of Dodge Manufacturing Co. and Canadian Mead-Morrison Ltd. These companies now require $200.000 cash to

(Continued on page 2, col. 4)

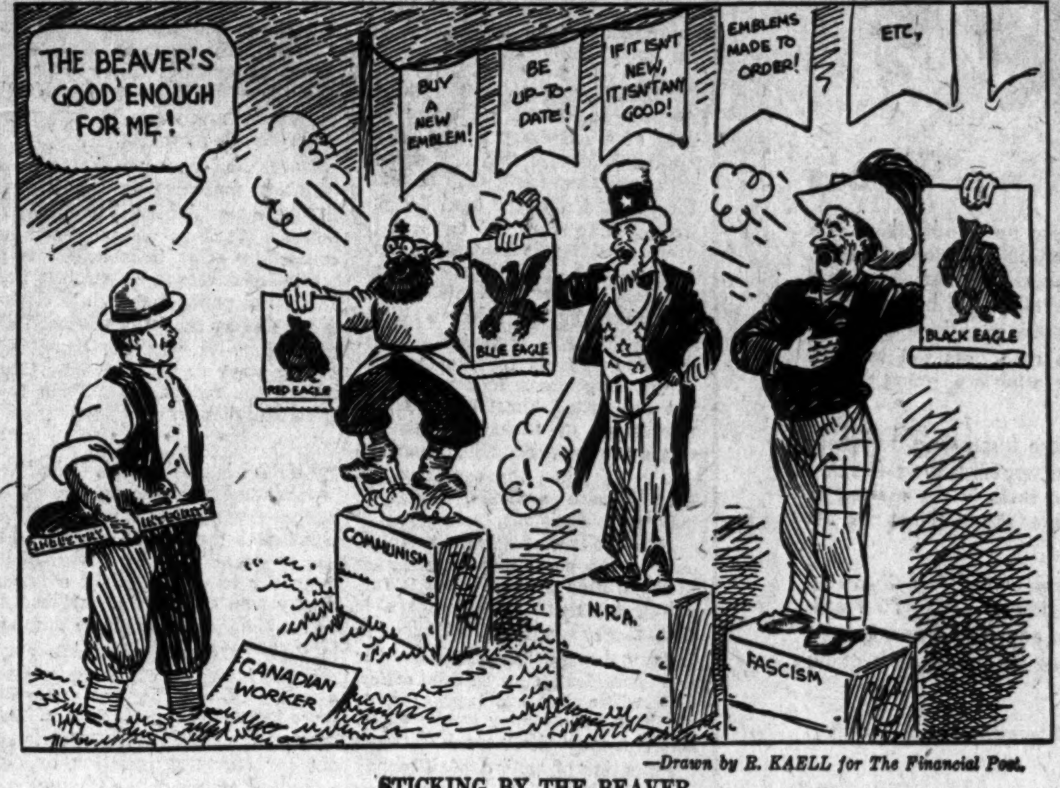
Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Oct. 3	47.2	44.4
Week of Sept. 26	48.9	45.5
Month of October, 1932	31.4	27.4
10 Public Utilities		
Week of Oct. 3	51	49
Week of Sept. 26	52	49
Month of October, 1932	51	45
8 Bank Stocks		
Week of Oct. 3	181	178
Week of Sept. 26	182	180
Month of October, 1932	182	173



—Drawn by R. KAELL for The Financial Post.

STICKING BY THE BEAVER

Walker Warehouses Carry Whisky Stores Worth $96 Per Share

Only Two-thirds Destined For United States Market

QUINTUPLING PLANT

New Peoria Plant Will Add Four Times Present Capacity in Advantageous Situation

Publication in this issue for the first time in Canada of an architect's drawing of the Hiram Walker and Sons, Inc., plant at Peoria, Ill., as it will be on completion early in 1934, emphasizes for the shareholders and investors generally the transcendent importance of the new venture as affecting the prospects of this company. Already the company has in Canada plants capable of producing 8,000,000 imperial proof gallons annually, with maturing warehouse capacity of 15,000,000 proof gallons, but in four months the new venture at Peoria will have added nearly four times 8,000,000 to its manufacturing capacity.

As a manufacturing entity the major importance of Walker's will in the future be transferred by these plans to the United States where the great market is. From the standpoint of immediate prospects and valuable markets the emphasis must still be on the Canadian company because it has in its rack warehouses, 14,500,000 imperial proof gallons of matured whisky, most of it more than 4 years old. This is now selling f.o.b. at Walkerville at $15 per case or about $5 per imperial proof gallon. In other words, as soon as the repeal of the 18th amendment is effective on or about December 5, 1933 (as predicted by Washington seers), the company is free to sell whatever it can or cares to sell in the United States of these 14,500,000 imperial proof gallons, and even on this $5 basis these stores would be worth $72,500,000.

Could Redeem Preferred

If the company were to redeem at $20 a share out of money received for these stores the 462,071 preferred shares outstanding in June last, it would take $9,241,420 and the sum of $63,258,580 still receivable on this basis for present liquor supplies would be equal to $95.85 a share for the 660,000 no par value common shares outstanding. One authority close to the company estimates that the present store is more likely to prove worth $100 a share than $95.85 even when making all allowances for likely changes in price and taxation.

This does not mean that these stores will be turned into cash at once. It is understood to be the policy of Hiram Walker-Gooderham and Worts to reserve one-third of its present stock of liquor for the domestic market and for its export business with England and other countries in the world. It will be two years and probably three years at least before the Americans will have distilled sufficient supplies to look after their own needs and that is expected to give plenty of time for the company to sell the surplus spirits now held in Canada. They will probably be disposed of in the way best calculated to advance the reputation of the products and to supply the market regularly.

The regulations for medicinal whisky at present provide for four years ageing in the United States. Because of lowness of supplies it is expected that permission will be given dealers or distillers or compounders to blend a new spirit with the aged spirit on about a 50-50 basis. In this way a whisky equal to a two-year-old whisky might be prepared ready to go to the public under restrictions. Canadian matured whiskies will therefore be in considerable demand, it is anticipated, until at least 2-year whisky is ready.

Denies Probable Shortage

On the other hand Business Week believes that existence of 5,000,000 gallons of 17-year-old liquor in the United States will prove a strong element in preventing the much-advertised shortage sending prices for whisky sky-high. It says:

"This old liquor will become an essence which skilled rectifiers can multiply into perfectly good whiskies—exactly the kind sold over most bars before prohibition. Blending is an art and each practitioner guards the secret of this formula. To the aged essence is added distilled water, alcohol sherry, caramel for coloring. In the old days common practice was two gallons of real whisky in a 51-gallon barrel. (Many cheaper whiskies had even less). This is multiplying the original drink by 25. Applying it to the 5,000,000 gallons of old stock would give an immediate supply of 125,000,000 gallons. This would be a running start toward the 167,000,000 gallons consumed in the United States

(Continued on page 16)

Goodyear 1933 Divs. Earned in 9 Months

In a letter accompanying dividend cheque for the third quarter of the current fiscal year, C. H. Carlisle, president of the Goodyear Tire and Rubber Co. of Canada, states that in the last nine months the company has increased its reserve for plant depreciation, its cash position and its working capital. He states also that the company has considerably more than earned its dividend for the entire year at the current rate.

During this period volume of sales of the Canadian tire industry has been 6.6 per cent less than in the corresponding period a year ago. Goodyear, itself, shows a decrease of slightly more than one per cent.

Continued Gain In Employment Features Week

Employment continued to advance to September 1, according to the Dominion Bureau of Statistics index compiled at that date, the increase from the beginning of the previous month being the fifth consecutive monthly increase. A less than seasonal drop for construction was offset by the extremely low total and the almost complete lack of engineering awards. Heavy coal and coke production in August reflects the increased industrial activity.

Dropping about 9 cents in the past ten days, wheat led a general—though mostly smaller—recession in commodity prices. The decline in wheat prices at Winnipeg had one favorable reaction in that it stimulated grain exports which, so far this season, have been very draggy. After reaching a high point last week, daily commodity price indices in the United States turned downward.

			—Change—	
			From prev. period %	From prev. year %
Monthly:		Sept., '33		
Constr. contracts	$	8,386,900	—11.5	—14.1
Employ. index	No.	88.5	+1.6	+2.9
		Aug., '33		
Coal output	tons	881,801	+30.5	+21.3
Coke prod.	tons	150,283	+4.0	+24.0
Rubber imp.	lbs.	4,021,785	+50.6	+85.1
Auto. financ.	$	1,808,440	—16.4	—17.0
Bank debits	$	2,648,500,000	—24.3	+25.1
		June, '33		
Gasoline sales	gal.	48,802,000	+15.4	—4.8
Weekly:*		Sept., '33		
Carloadings	No.	47,387	—0.4	—8.9
Wheat exp.	bu.	3,887,203	+21.5	—41.8
Cattle sales	No.	14,814	+11.1	—0.5
Hog sales	No.	13,850	—20.1	—9.5

*Weeks ended Sept. 23, 22, 21 and 21, respectively.

Highlights of the week

Events and Topics That Make News for Post Readers

The Tide of Things

William Henry Moore, famous Canadian economist, philosopher and writer, begins this week in The Financial Post a new department of comment on social and political affairs in the world today. Page 11.

Letter from London

A special correspondent writes racily on some matters of moment in Britain and Europe. Page 11.

Will Roosevelt Inflate?

"The Nation's Business" column discusses this question and shows the enormous strides the U. S. has already taken in the direction of inflation. Page 1.

Tariff Making

Economic history is in the making as the tariff board sits in judgment on the woollen textiles case. Interests of workers and consumers are at stake. So The Financial Post presents an analysis of the chief points the woollen hearing has revealed. Page 11.

Help Prevent Fire

Next week is Fire Prevention Week in Canada. Several articles present timely discussions of the cost of submitting to the fire demon. Page 12 to 14.

Equity and Book Value

A non-technical article illuminating for the investor some points on how to determine the book value of a common stock. Page 9.

Bankers Speak

Another comprehensive installment of The Financial Post's own summary of the evidence given before the Macmillan Commission. Page 11.

National Government

Our Ottawa correspondent discusses the chances for a fusion cabinet; he concludes they are small and tells why. Page 11.

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3 MATURITIES IN GOV'T LOAN OF NEXT WEEK

Will Offer 3½ and 4% Coupons on 2, 6 and 12-Year Bonds

ISSUE LIMITED

Subscriptions to be Taken for Only $225,000,000 — Expect Rapid Sale

Three types of bonds will be offered in the $225,000,000 Dominion conversion loan to be presented for subscription on Oct. 10. It is now expected that bonds will be offered as follows:

Two year 3½'s to yield between 3¾ and four per cent.

Six year 4's to yield between 4.20 and 4.25 per cent.

Twelve year 4's to yield between 4.35 and 4.40 per cent.

This would indicate prices of about 99, 99 and 97 respectively for the three maturities. The four per cent bonds are intended for subscription by smaller investors.

The conversion will be offered on an optional basis, subscriptions being requested for whatever maturity suits the subscriber, it is understood. Allotments are expected to be made giving preference to the two longer maturities. That is, banks and other institutions have already arranged to take up over $100,000,000 of the 3½'s in exchange for their present holdings of Victory loan 5½'s of 1933, but will probably take less if subscriptions for sufficient of the six and 12 year bonds are received to allow it.

The loan will include $170,000,000 to refund the 5½'s of 1933 and $40,000,000 to pay off treasury bills issued to banks last spring. So there is expected to be only $15,000,000 of new money raised at this time, if the treasury bills may be regarded as not representing new financing.

It is estimated that from $115 to $120 millions of the securities to be refunded are held by banks and institutions that have already signified their intention of converting. Thus there is less than half the loan to be taken up by others and even less new money to be raised. Bond dealers feel that this practically assures early success of the operation.

The Dominion will save over $2,000,000 per annum in the cost of the maturing 1933 Victory loan, if it is refunded at a 4¼ per cent cost. This will be offset, however, by the borrowing of the $40.000.000 for the treasury bills and $15.000,000 of new money, so that the real saving in interest will be nil. There is, however, an advantage to the Government in getting the whole $225,000,000 for about the same cost as the $170.000.000, and in eliminating the tax free feature which the 1933 bonds bear.

Issue Limited

By Staff Editor

OTTAWA.—It is practically certain that the forthcoming federal conversion loan will be a closed offering and that the Government will limit subscriptions to the amount actually floated according to information given The Financial Post on high authority. Everything here

(Continued on page 2, col. 4)

Just Think of It!

Silent Masses Aroused

THE irresistible, though silent force of sound majority opinion in a great Canadian city has again triumphed over the agitation of a noisy minority.

In Toronto a small group carried on a definite campaign to "get General Draper," to force him out as chief of police. The original purpose apparently was to put the police force into politics; to place dummies and stool pigeons for one political group in control of law enforcement in Toronto. Or the inspiration may have come from a group of frankly revolutionary agitators and well-known law-breakers who found Toronto police unfriendly to them. It is difficult to find out which group started it; both were at work.

It was not difficult to find some mistakes the chief had made, to play them up Only experts in persecution judge people solely on mistakes of judgment. Good citizens judge their neighbors and their leaders on the net balance of good or evil in their actions.

The noisy minority even bluffed three of four Toronto papers to their side. One paper only, The Globe, had the courage to stand out for public decency and good government.

Then the sound judgment of the majority of good citizens began quietly to assert itself. The noisy minority began to be afraid of what they had started; the politicians in the group felt uncomfortable when they found that it was only the revolutionaries and the law-breakers who were supporting them.

A short while ago General Draper unexpectedly entered a room where there were several hundred militia officers and other leading citizens, who had assembled to bid farewell to an esteemed commander, General Ashton, being transferred to British Columbia The spontaneous demonstration given the persecuted Chief of Police eclipsed that to the distinguished citizen for whom the affair had been arranged.

The effect was electrical. It gave the citizens the leadership and voice just at the moment it was needed. The noisy minority in control had planned his dismissal for the next day. But they dared not. Draper remains chief with the support of the great silent majority of decent citizens and taxpayers.

THE MAN'S HOBBY

Woodworking Tools

WHO are the men taking up woodworking as a hobby?—Bankers, lawyers, financial men, merchants, doctors are amongst the men who find it interesting. . . . Takes their minds off business worries, they say, and gives them something constructive to do. Sometimes a man gets the tools to interest his growing sons who are going in for manual training at school.

It's a hobby that grows more fascinating, the more you work at it. It gives an opportunity to develop your ingenuity and artistic taste in the making of pieces of furniture and other useful things for the home.

At present, the famous "Power King" Woodworking tools are being demonstrated in EATON'S Hardware Department. Drop in any day when you have a few minutes to spare and see just what is going on. It is well worth a visit.

Hardware Department, Basement, Queen Street.

THE T. EATON Co LIMITED

Maple Leaf Plan Drilling for Little Long Lac Claims

A report from V. B. Lyle, in charge of operations at the Little Long Lac property of Maple Leaf Mines, says the original discovery has been opened up for 500 ft. and is striking in an easterly and westerly direction. The vein is heavily schisted and considerable free gold is in evidence. Samples have been sent out for assay. Upon receipt of the assay results plans will be considered for a diamond drilling programme.

"Proscrastination is a lay man's method of fooling himself and a coward's method of trying to fool others." *President George Barton Cutten, of Colgate University.*

The Nation's Business

(Continued from page One)

were interpreted to mean that there would be no inflation.

A few weeks ago the stock market rose every time the American dollar dropped. Recently it has declined with every fall in the dollar. Indeed Washington has a real publicity problem on its hands. It wants to keep the U. S. dollar low in foreign exchange quotations without frightening more money away. It would like the billion dollars of expatriated "fright" capital to return without putting the dollar up.

* * *

THERE is a disposition to expect additional, positive measures of a monetary nature in the United States in the near future. Whatever they are it may be taken for granted that the final decision in regard to them will be made by the president who holds dictatorial powers that have been no whit lessened by recent events. Roosevelt is keeping his counsel. While he has shown no support for direct inflation, that is for the issuance of printing press money, he has not committed himself against it. Statements of various of his advisors for or against inflation are not to be taken too seriously. In the ultimate analysis, Roosevelt makes the decisions.

It is foolish, of course, to speak only of the possibility of inflation in the United States. What is forgotten by most commentators is that there has been inflation in the grand manner from the day the new president entered his office. The whole Roosevelt programme has been inflationary in character. But one must distinguish between the creation of bank deposit money by credit inflation and paper money by currency inflation. The first has been pushed vigorously. The second has yet been shunned.

* * *

THERE is the programme to spend $3,000,000,000 on public works, which has been slow getting started, but which is certain to satisfy the most radical advocate of government spending before it has got well under way. There is the plan of raising farm prices by bonusing farmers with funds received from a special processing tax. There is the new plan to buy surplus stocks of commodities and hand them out in the form of direct relief. There is the plan to buy in farm mortgages and home mortgages with government funds in order to enable lending institutions to make additional loans. There is the loan to China to buy surplus American wheat. There is the steady purchase of government issues by the federal reserve bank in an endeavor to force out credit. There are the loans to railways. There are the plans to loan money for home-building. There is discussion too of loans to Russia to buy machinery and loans to industries to pay N. R. A. wages.

There has been no shortage of inflation measures in the United States since Roosevelt came into power. What is wanted now, of course, by some inflationists is a scheme of currency inflation to put additional paper money into circulation and by others devaluation of the dollar. It was the threat of one or other or both of these that caused the recent flight from the American dollar.

* * *

THERE is good reason to believe that one reason why Roosevelt has no intention of invoking these policies at the moment is that he has a great deal of government financing to do, including a large liberty loan conversion. Obviously, he cannot induce investors to turn in their bonds for additional government issues if he is committed to a policy of reducing the value of those issues in the near future. But because the president has not come out for currency inflation or devaluation of the dollar it is not to be assumed that neither of these measures is possible. Roosevelt is likely to use them if, as and when he considers them necessary. But that he recognizes their limitations is also apparent. Devaluation does not put prices up, nor does it force credit into use. Under present circumstances it could do no more than confirm an exchange level already existing. Currency inflation is easier to start than to stop. The whole history of currency inflations is that they provide but temporary stimulus and that when that stimulus has worn off that larger and increasingly larger doses of the same remedy must be given. Inflationists are never satisfied and the fact that the plea for currency inflation is heard in the land despite the fact that a great many inflationary measures have already been invoked is proof of this statement.

A remarkable feature of the last three weeks has been that the leading American newspapers have been in the majority opposed to direct inflation. There is apparently a larger "sound money" school in the United States than is realized by the politicians in Congress.

That Roosevelt has joined, from conviction, the "sound money" school is not at all certain. But temporarily, at least, for the reasons that have been set forth and perhaps because of his traditional habit of holding back some of his high cards, the president is giving the fullest opportunity for credit inflation to take hold of business and balloon it upward before indulging in the much more hazardous kind.

* * *

Other Taxpayers Pay for Solloway

IN LAST week's issue, our Ottawa correspondent revealed that the income tax officials are more insistent than ever in checking up on income tax returns of individuals throughout the country. The government is determined to get in every possible dollar of income tax revenue from the ordinary taxpayer.

This makes only the more obvious the unfairness of the settlement in the Solloway affair, exposed in The Post recently. I. W. C. Solloway is said to have settled a $700,000 tax claim for $100,000. When large and favored taxpayers are permitted to settle their income tax accounts at a few cents on the dollar, other taxpayers must make up the lost revenue from their own pockets.

When Parliament meets, Hon Hugh Guthrie, Minister of Justice, will undoubtedly be called upon to explain his part in this affair.

DEMAND PREMIUM ON OCTOBER PRICE FOR DELIVERIES

Lower Grades from New Crop Reflected in Prices

WINNIPEG.—There have been no deliveries of wheat on the October contract, a fact which indicates that the immediate technical position of the market is fairly strong with government holdings of futures switched to later contract months. Exporters have to pay some premium over the October basis to get any of the contract grades, a reflection of the fact that the average grading of the current crop is bound to be decidedly lower on account of poor harvest weather than that of crops of the past two years.

A remarkable feature is the premium of six cents a bushel prevailing on No. 1 Hard, a grade which at various times has sold for very little over one Northern. It is bought for high duty countries in Europe which are content when they buy small quantities for mixing to pay more for the highest grade in order to get the most out of the duty paid.

World shipments last week at only 9,680,000 bushels were disappointing and so also were North American shipments of less than 4,500,000 bushels. But reduction of Black Sea shipments to little over a million bushels at a time when they might be expected to be increasing and the approaching exhaustion of Australian and Argentine supplies may indicate possibilities of later improvement.

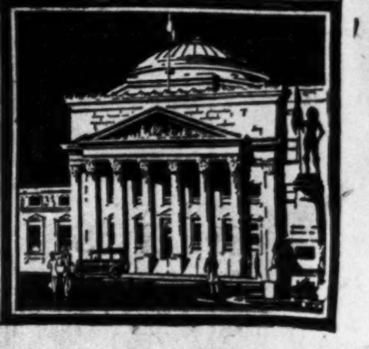
Requirements May Rise

Stress is laid in comment from abroad on the fact that large European crops are reducing current demand for imported wheat, but nevertheless it is suggested that the total of requirements for importing countries may yet have to be revised upward from the low level of 560,000,000 bushels specified in the London agreement.

Shipments of Russian wheat by sea to Vladivostock may be an indication of interior transportation difficulties or possibly that far eastern supplies are less than usual at this time of year.

Modern, EFFICIENT BANKING SERVICE . . . . the outcome of 116 years of successful banking operation.

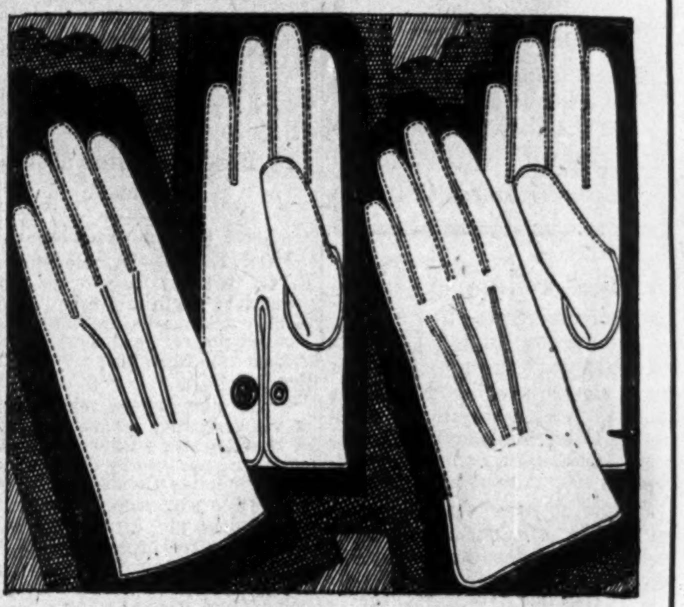
Head Office: Montreal



TOTAL ASSETS IN EXCESS OF $700,000,000

BANK OF MONTREAL

Established 1817



Smart New Gloves for Fall

Choose them to-day from a comprehensive assortment in the Store for Men. We mention a few of them here:

$5 ENGLISH LAMBSKIN GLOVES, from Horace Sleep, with hand-sewn seams, one dome fastener. In nine shade, washable. At $5.

$4 PIGSKIN GLOVES, in one-dome or slip-on style. Natural shade, with outsewn seams. At $4.

2.79 WASHABLE GOATSKIN GLOVES, half hand-sewn with one-dome fastener. In grey, pearl, arab, natural and ox tan (ox tan is not washable). At 2.79.

3.50 ENGLISH CHAMOIS GLOVES, with hand-sewn seams, in one-dome or slip-on style. Washable. Chamois color. At 3.50.

$5 ENGLISH BUCKSKIN GLOVES, with hand-sewn seams. Putty color. One-dome style. At $5.

Slip-on style, natural color. At 4.75.

2.50 to $5 ENGLISH SUEDE GLOVES, in grey. Smartly tailored, chiefly in one-dome style. At 2.50 to $5.

Phone orders filled, Adelaide 8411.

Simpsons—Street Floor.

THE ROBERT SIMPSON COMPANY LIMITED

The second of a series of advertisements re-stating the basic principles which guide our trust work.

The Starting Point OF OUR SERVICE

Before accepting any trust appointment we ask ourselves these two questions:—

1. Is trust service needed?
2. Will it be for the best interest of all concerned?

Fidelity to TRUST

When we can sincerely satisfy ourselves on these points, we proceed to develop constructive plans for the prospective customer. Our first step is to have a long talk with him in the strictest confidence. We ask him to tell us what he wants to accomplish for his wife, his children, his parents, or other relatives. We ask him about his present worth, his holdings, his business interests. We ask him if he has made his will, if it is up-to-date, how much life insurance he carries and if it is payable to his estate or to his wife outright.

With these and other pertinent facts in mind, we are able to draw up a concrete plan, using one or more of our trust services that will best help him carry out his wishes. We urge that he talk it over with his wife or family, and have his will revised if necessary.

This is the way we have helped many business and professional men, and their families. This is the way we shall be glad to help you.

Crown Trust Company

William I. Gear, *President* John Jenkins, *Vice-President*
Arthur Lyman, *Vice-President* Irving P. Rexford, *Gen. Manager*
393 St. James Street - - Montreal

Stability

Stability in a life assurance company is a result of a far-sighted investment policy. This demands a balanced distribution of assets. The list to the right shows how successfully the Canada Life has applied this vital principle.

	% of Total Ledger Assets
Cash, Government and Municipal Bonds, Canada, United States and Great Britain	28.1%
Other Government Bonds	.6
Public Utility Bonds	10.3
Railroad Bonds	1.2
Other Corporation Bonds	4.4
Preferred Stocks	2.3
Stocks of Canadian Banks and Trust Companies	1.6
Other Common Stocks	.2
Mortgages	27.9
Policy Loans	18.3
Real Estate (including the company's Buildings)	5.1
	100.0%

(As at 31st December, 1932)

Canada Life Assurance Company Established 1847

Nathanson Expects Success From Film Winners in U. K.

Reports Studios Active With High Public Patronage of Product — Bringing Best Winners to Canada

Return of N. L. Nathanson, president of Famous Players Canadian Corp., after a five weeks' trip to England, is expected to result in increased distribution in Canada of the best British films. Mr. Nathanson reports British studios actively producing with quality as the chief aim. The better product is proving itself by better business in British playhouses. In fact Britons are giving better patronage to their theatres than Canadians are yet giving in Canada.

Mr. Nathanson is quoted in "Canadian Moving Picture Digest" as giving high praise to the Korda production, "The Private Life of Henry VIII." It has brought big business to British theatres and he anticipates a similar result in Canada. He hopes that Canada also will greet, "I Was a Spy," as enthusiastically as British theatre-goers have done.

Theatre business in Canada is already improving as a result of the new fare being fed to it in the present season. Mr. Nathanson thinks that Canadian theatres have real material this winter on which to expect a better return from the public.

Movie houses are encouraged by the agreement made with C. N. R. and C. P. R. express subsidiaries, and all other express companies by which, since October 2, express rates per cwt. have been reduced. Where present rate is $1.10 it is reduced to 85 cents a cwt., $1.15 to 90 cents, $1.20 to 95 cents, $1.35 to $1.05, $1.50 to $1.20, $1.60 to $1.25 and other rates in proportion. The savings work out at about 22 per cent except that on shipments less than 100 pounds the saving decreases with the weight of the shipment.

The Famous Players Canadian Corp. ten-piece orchestra is about to try the experiment of visiting two theatres in one night, playing 20 minutes at each. There is also the possibility of stimulating afternoon attendance in the same manner and it is possible that this arrangement may settle some of the differences which musicians' organizations have been trying to iron out with theatres. If they can prove their value by being an undoubted attraction, frequent appearance of orchestras is another possibility in theatres soon.

3 MATURITIES IN GOV'T LOAN OF NEXT WEEK

(Continued from page 1)

points to this being the highlight of the money drive on Oct. 10.

It will mean oversubscription will result in would-be purchasers having their subscriptions pared down on a pro rata basis. After the heavy oversubscription which greeted Canada's recent loan on the London market, it is anticipated that there will be an equally heavy rush to purchase federal bonds so as to avoid disappointment as in the case of the recent British offering.

The actual amount of the loan is placed at the $225,000,000 mark and any variation from this figure will be but a few million dollars one way or another. Early this week no definite decision had been reached as to the exact proportion of bonds which would be allotted between long and short term maturities.

An important feature of the loan is the Government's determination to make an offering that will stand up no matter what later market conditions may be. This is the dominating purpose in the loan preliminaries, and if it is feasible, purchasers will be protected in every possible way against a subsequent decline in the market value of their securities.

UNITED STEEL MAKES OFFER TO DODGE MFG.

(Continued from page 1)

pay off liabilities and provide good working capital position. While sales have improved during the last three months and prospects for increased earnings are better the companies need new financing immediately and under the proposal made by United Steel Corp. this new financing is available while present Dodge shareholders receive the ranking security of United Steel Corp.

The offer of purchase made to Dodge Manufacturing Co. provides for payment of one class "A" preference share of $25 par value of United Steel Corp., for each class "A" preferred share of Dodge Manufacturing Co. and one class "A" preference share of United Steel for each five shares of class "B" common stock of Dodge Manufacturing. Total consideration, therefore, amounts to 20,968 class "A" preference shares of United Steel, which bear a preferential dividend of 6 per cent payable semi-annual and non-cumulative for a period of three years.

In the event of liquidation of the company, voluntary or involuntary, the class "A" shares are entitled to priority to the extent of par value plus all accumulated unpaid dividends. Shares are subject to redemption at any time at a price of $26.50 per share with accumulated unpaid dividends. The offer is conditional on there being not more than 16,168 class "A" preference shares of Dodge Manufacturing outstanding and 24,000 class "B" common shares. The agreement of sale must be completed by October 14, although United Steel has the right to extend the date of acceptance. The sale is also conditional on the Dodge Manufacturing Co. holding control in the Canadian Mead-Morrison Co., of Welland, Ont., which was acquired in September, 1932. United Steel Corp. is to take over all assets of Dodge Manufacturing Co. and shall have the right to use the name of the company while the present Dodge Manufacturing Co. will be wound up and its charter surrendered.

Has $500,000 Cash

The balance sheet of United Steel Corp. as at September 25, 1933, shows assets consisting of cash in the bank amounting to $500,000, authorized capital of 80,000 class "A" preference shares, of $25 par value, 10,000 class "B" preference shares of no par value, 300,000 common shares of no par value. Of this authorized capital, there is issued 5,000 class "B" preference shares of no par value and 150,000 common shares of no par value.

Shareholders of Dodge Manufacturing Co. have been notified of a special general meeting to be held in Toronto on October 6 at the office of the company, Pelham Avenue. At least, 75 per cent of the shareholders represented at the meeting must agree to the arrangements proposed.

BOWATER-SWEEZEY PLAN FOR PRICE BROS. HAS BOARD APPROVAL

(Continued from page 1)

overcome before control passes to the Bowater-Sweezey group. These may be summarized roughly under three headings: capital, Beaverbrook and the Duke, Price interests.

Nearly $5,000,000 of new capital will be required to place Price Bros. on its feet. This amount has been underwritten by members of the group. Bowater is reported to have agreed to put up $2,500,000 and to underwrite that portion of the new capital, to be offered to the preferred and common shareholders.

It is common knowledge that the British Government has frowned upon and even prohibited the export of capital. The English members of the group may experience trouble in arranging to export any large sums of capital. This is not regarded as an insurmountable obstacle, however, but is outlined to show some of the technicalities to be overcome in completing this deal.

Beaverbrook is Important

Lord Beaverbrook's attitude toward the latest development in Price Bros. affairs is awaited with great interest. Born Max Aitken, the English peer is not likely to relish the idea of 60,000 shares of Price Bros. common stock being valued at little or nothing. His paper, the Daily Express, of London, uses 50,000 tons of Price newsprint each year. The contract expires at the end of December. The company can ill afford to lose this business, which represents nearly one-half of all its tonnage. Beaverbrook is in a strong position to dictate terms and his reported siding with the Duke, Price interests is a factor of some importance.

Duke, Price in Picture

Duke, Price Power Co.'s interest in Price Bros.' future is mostly concerned with the power contract. Prior to liquidation this company sold to Price Bros. 100,000 h.p., which brought in an annual revenue of about $800,000 in United States funds. This is equivalent to nearly 20 per cent of its output. The loss of this business temporarily and the possibility of a resumption of relations with Price Bros. in the future on terms not as favorable as in the past, makes the control of the enterprise one of importance to Duke, Price. The Mellon enterprise has lost out in the first round in the fight for control of Price Bros., but it is unlikely that the matter will end there.

Sweezey Evolves Plan

Over a year ago, R. O. Sweezey became interested in securing control of the property. He formed a syndicate to investigate the situation and eventually made an offer to the Bondholders' Committee for the property. Duke, Price Power did likewise, as did some other interests.

It early became apparent that control of the property would go to either the Sweezey or Duke, Price groups. The former received a serious setback late in the game when its largest backer, J. W. McConnell, found it necessary to retire from the syndicate.

At this time Bowater Paper Mills Ltd. were interested in securing an additional supply of pulp. Their two mills—one on the Thames, near London, and the other on the Mersey River, at Liverpool—were in need of an additional source of pulp to meet their requirements.

Bowater Seeks Supply

Bowater's communicated with John Stadler, in Montreal, to investigate the possibilities of the Chandler mill as a source of pulp.

In his investigation of this project Stadler came in touch with Sweezey, who, in turn, held forth on the possibilities of Price Bros. and Co., not only as a source of newsprint, but also as a source of pulp.

Events were rapidly shaping themselves and it was not long before the Bowater interests had taken a participation in the Sweezey syndicate.

Can. Steamers Committee Seeks Deposit More Bonds

From Our Own Correspondent

MONTREAL.—Time for deposit of Canada Steamship Lines 6 per cent bonds under the deposit agreement with the Bondholders' Protective Committee has been extended until the end of November. To date approximately $4,500,000 bonds have been deposited, which is considerably short of the majority required.

Business of Canada Steamships is reported to have been fairly satisfactory considering the situation which has prevailed in connection with grain shipping rates at the head of the lakes. For the eight months ended August operations of the company resulted in a slight improvement over those for the same period last year. Improvement is looked for in grain shipments this fall as compared with 1932 and it is hoped that the efforts now being made to stabilize rates will be successful.

WORTH SAVING FOR

To the traveller, Canada offers endless variety and the person who saves in order to explore it has a worthwhile objective. The most effective method of saving money is to follow a definite plan of deposits in a Savings Account at regular intervals.

THE ROYAL BANK OF CANADA

The Story the Salesman Might Not Tell You

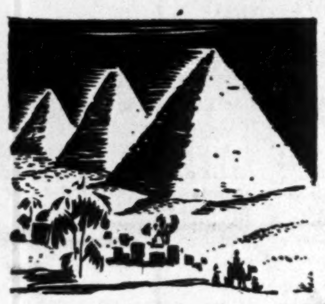
TO the automobile salesman you look for *information* about the car he desires to sell. You expect him, and rightly so, to explain in detail every advantage that his product offers. You expect a courteous, informative demonstration of the car, and a clear answer to every question you may ask. If it is a General Motors salesman you interview, you will be fully satisfied on all these counts.

But, occasionally, in his enthusiasm for his car—for its fine appearance, its comfort and its ability on the road — the salesman forgets to tell you a story which is of great importance to you as an *investor* in a new automobile. And that is—*the story of the company back of the car.* Is it in business to stay? . . . has it an adequate background of experience? . . . does it safeguard your interests by thorough research and testing? . . . are its products priced fairly on a basis of value? . . . does it render a broad service following the car sale? . . . is it a Canadian institution? . . . *does it serve you in the way that you want to be served?*

These are things you should know. They have a very large bearing upon the satisfaction you derive from your new motor car . . . and upon the price you will obtain for it when you come to trade it in.

With this thought in mind, we invite every motorist, especially those who intend choosing a new car this year, to consider the following facts about General Motors.

PERMANENCE



General Motors is celebrating its 25th anniversary in Canada

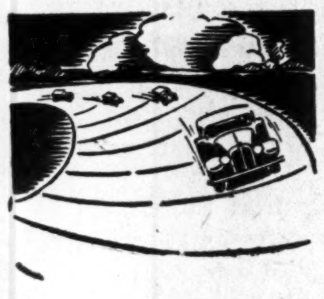
In Confederation year, 1867, the McLaughlin Carriage Company was launched at the cross-roads village of Enniskillen, Ontario. Out of this pioneer enterprise grew General Motors of Canada, Limited, standing today in the forefront of Canadian industry — meeting every requirement in the automotive field.

EXPERIENCE

Years of building cars and trucks "for every purse and purpose"

Automobiles are built in Canada "from the ground up" by General Motors. Because of this fact, the results of twenty-five years experience can be applied to insure the production of Canadian-built cars and trucks for completely satisfactory service under Canadian conditions.

RESEARCH AND TESTING



Famed laboratories and "The Proving Ground of Public Opinion"

General Motors' equipment for proving its products is one of the wonders of the automotive industry. Great buildings and huge scientific staffs are maintained for research. A wonderful natural Proving Ground has been in operation for many years. And recently General Motors of Canada has developed another important method of fact-finding — research among its *customers.*

PRODUCTION ECONOMIES

General Motors is Canada's largest builder of cars and trucks

General Motors consumes millions of dollars worth of steel, upholstery, cloth, Canadian lumber and rubber; and correspondingly large quantities of other basic commodities. Hundreds of Canadian companies supply materials and equipment to General Motors — at a distinct price advantage, in view of these huge orders. The savings thus made are passed on to you, the car buyer, in the form of lower prices.

PRICES FOUNDED ON VALUE

General Motors Cars offer fine quality at the lowest cost

Because of the economies of mass production, and a "Made-in-Canada" policy, General Motors' list prices are very moderate. Consider the *delivered* price as well. If you are thinking of several different cars, we suggest you analyze these important items on this convenient form:

ADD THESE ITEMS	NEW CAR "A"	NEW CAR "B"	NEW CAR "C"
DELIVERED PRICE AT FACTORY *(Including Standard Accessories and all Government Taxes)*	$................	$................	$................
FREIGHT	$................	$................	$................
EXTRA ACCESSORIES *(Not included in the List Price)*	$................	$................	$................
TOTAL DELIVERED PRICE *(With Extra Accessories)*	$................	$................	$................

TIME PAYMENTS

GMAC
GENERAL MOTORS TIME PAYMENT
PLAN

GMAC serves buyers conveniently and economically

GMAC is General Motors' own time payment plan. Because of this fact, buyers of General Motors cars are assured of equitable charges and courteous, dependable service. Most people buy cars "on time"—we suggest that you compare carefully the financing costs of new cars.

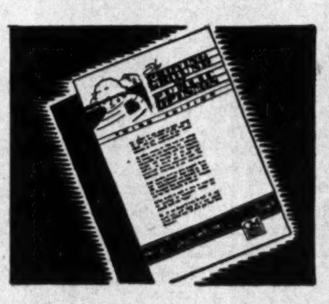
DOMINION-WIDE SERVICE

GARAGE
GENUINE PARTS
GM
GENERAL MOTORS PRODUCTS
APPROVED SERVICE

Eight large Parts Depots, hundreds of dealers and garages everywhere

Every General Motors dealer carries a large stock of spare parts. If an unusual part is required, this can be delivered within twenty-four hours from the nearest General Motors Parts Depot. Amplifying this dealer service, General Motors maintains special service agreements with qualified garage owners in 1400 places in Canada.

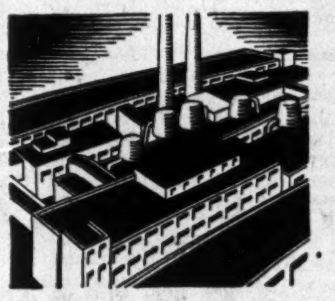
SERVING THE CUSTOMER



General Motors is active in seeking "the owner's viewpoint"

Canadian motorists now look forward with interest to receiving the little booklets entitled "The Proving Ground of Public Opinion"—in which they are invited to express their ideas on automobile design, for the guidance of General Motors engineers. (See coupon.)

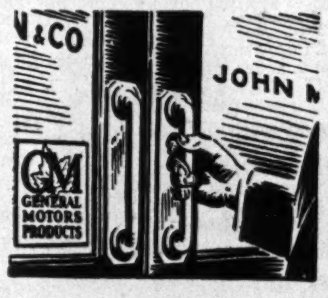
A CANADIAN COMPANY



General Motors employs Canadian workmen and materials

The production of a General Motors car means that lumbermen are busy in British Columbia, miners are at work in Algoma and Nipissing, railroad workers have handled material in transit, and skilled hands have been engaged in primary and intermediate operations of many kinds. All Canada shares in the profits.

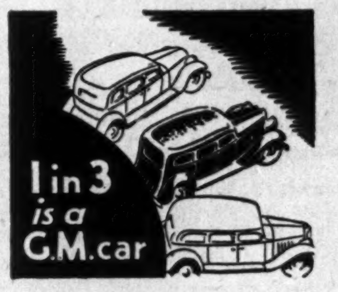
OWNER LOYALTY



Owners return to buy General Motors Products again and again

No organization can attain to the leadership General Motors Products of Canada enjoys without the year-in, year-out support of thousands of satisfied customers. Owners of several years' standing are General Motors' best customers and word-of-mouth "boosters".

LEADERSHIP ALL ALONG THE LINE



In every price field and in every province

Each General Motors Car — Chevrolet, Pontiac, Oldsmobile, McLaughlin-Buick, LaSalle and Cadillac is the sales leader in its price field. General Motors produces nearly half of all the new cars sold in Canada. Can there be any stronger recommendation for any company — and any line of products—than this?

GM
GENERAL MOTORS PRODUCTS

To General Motors Products of Canada, Limited,
Oshawa, Ontario.

Please send me literature describing the products checked below :

☐ CHEVROLET ☐ PONTIAC ☐ OLDSMOBILE
☐ McLAUGHLIN-BUICK ☐ LaSALLE ☐ CADILLAC
☐ CHEVROLET TRUCKS ☐ GENERAL MOTORS TRUCKS

☐ Send me free copy of Third Edition, "THE PROVING GROUND OF PUBLIC OPINION".

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GENERAL MOTORS PRODUCTS
OF CANADA, LIMITED

CHEVROLET • PONTIAC • OLDSMOBILE • McLAUGHLIN-BUICK • LA SALLE • CADILLAC • CHEVROLET AND G.M.C. TRUCKS

Utilities and Transportation

BRAZILIAN DOING BETTER IN ALL LINES

Internal Prospects Are Brighter But Exchange Betterment Needed

Brazilian Traction, Light & Power Co. business in Brazil recently has been looking up in all electric light, power, tramway and telephone subsidiaries. In August gross and net earnings showed an increase over the corresponding month in 1932 for the first time in 1933. Gross earnings were the largest of any month this year.

Miller Lash, president, is now on a trip to Brazil to inspect the company's various properties, and visitors lately returned from Brazil believe that he will find evidence of increasing internal activity everywhere. Brigadier-General Ralston, who has just returned from Brazil, is quoted in the daily press as impressed by what he saw of Brazil's resources.

Country With a Future

A distinguished Englishman, recently in Toronto, made a special tour of South American countries. To some Toronto friends he said: "I would summarize all my impressions of the three countries I studied most closely as follows: The Argentine is a country with a present, Brazil is a country with a future and Chile is a country with a past. The Argentine is doing well, Brazil impressed me mostly with its great possibilities of which its citizens are becoming more and more aware, and I think—so far as the present generation in other countries is concerned—Chile is done and no effective comeback can be expected."

That is very encouraging and to some extent justifies the stock market excitement in the boom days from 1927 to 1929 because then high prices were paid for Brazilian common stock because of what investors hoped for in the development of Brazilian's potentialities within Brazil. If Brazil has a future, then so has Brazilian one as well, most investors will reason.

Must Wait For Milreis

But the realization of those possibilities must await a restoration of Brazilian exchange on a free international basis. Brazil has exhausted her gold resources in protecting her exchange and in keeping up interest and principal payments on Government bonds. The latter were eventually defaulted when it became difficult to get foreign money except at ruinous expense, and a long way has to be travelled back before Brazilian Traction and its shareholders can hope to realize handsomely for their patience. Recent increases in milreis quotations cannot be too much depended on until Brazil's foreign obligations are being looked after sedulously. Then dividend payments outside Brazil would be the natural next step to expect.

In spite of Brazil's great potential mineral resources, her agricultural lands, her cattle, her growing industries, coffee still remains the main crop which, it is hoped, will restore the exchange value of the milreis. As noted before in The Financial Post, the Government has countered the record crop estimated on July 1, 1933, as being far beyond consumptive needs, with a doubling of the coffee destruction programme. There is talk of drought and cold winds on top of drain of heavy 1933 crop having reduced bids on coffee trees and made a short 1934 crop almost sure, but recent visitors to Brazil do not consider this of importance on the long view. Of more importance is the present practice of Brazilian planters to make up for the low price of coffee by planting cotton, corn and other crops between the coffee trees. In times when coffee brings a good price Brazilians do not favor that practice as it tends to reduce the productivity of the coffee trees but in recent times it has become quite general. The result naturally tends to lower the crop total.

Will Regulate Itself

One familiar with Brazil was asked if the Government has started on a reported plan of uprooting old trees in order to get the crop back into some relation with world demand. He doubted very much if the Government would ever do such a thing. He thought the same result would be obtained by the heavy taxation levied on new trees. This made planters think twice under present conditions before planting new trees and in the meantime yea after year the old trees would be getting older and less productiv and more of them would every yea be abandoned. Brazil, as a countr of great resources, will afford man avenues of exit from coffee growin until that becomes profitable agai and sooner than is now expecte there may be better times reported in Brazil.

Form New Montreal Brokerage House

H. C. COUGHTRY **DONALD MACLEOD**

Macleod, Riddell and Coughtry have formed a stock brokerage partnership with a seat on the Montreal Stock Exchange. Messrs. Macleod and Coughtry have been associated with Johnston and Ward, while Mr. Riddell has been a member of the exchange for the past 25 years.

CANADIAN PACIFIC OPERATING PROFIT HIGHER IN AUGUST

Small Decline Noted for Returns in First Eight Months

From Our Own Correspondent

MONTREAL. — Failure of car loadings to equal in volume those reported last year, is reflected in the operating income statement of the Canadian Pacific Railway for August, 1933. In that month the company received a gross income of $9,943,272, or $222,956 less than for the corresponding month a year ago. The reduction in operating expenses, however, was more than sufficient to offset the decline in gross, so that net operating revenue at $738,601 was $41,395 greater than in August, 1932.

For the first eight months of the current calendar year the Canadian Pacific operating income from all sources totalled $70,809,194. This represented a decrease of $7,071,677 from the same period of 1932. As in the case of August, operating expenses for the current eight months were reduced, leaving a net operating income for January-August, 1933, at $6,968,122, compared with $6,808,793 for the same eight months period in 1932.

Prospects are Indefinite

Prospects for an increase in traffic during the balance of the year are indefinite at this time. September car loadings have not been especially favorable. A pickup in export demand for grain would make a material difference in the operating position of the company.

For the eight months period, however, net operating income was down only $159,328. This decline could be readily turned into a favorable balance if the present trend of expenses is maintained and gross income kept at a level approximating that of a year ago.

Without a marked improvement in income in the next four months period, it is unlikely that the company will be able to show much in the way of surplus earnings on its capital stock. In the 1932 statement, the balance available for the preferred and ordinary shares was only sufficient to cover about one-half of the preferred dividend requirements.

MONT. TRAMWAYS TO PAY DIVIDEND ON EARLIER BASIS

Quarterly Distribution Up 25 Cents as Cost of U. S. Funds Lessens

From Our Own Correspondent

MONTREAL. — Montreal Tramways Co., controlled indirectly by Shawinigan Water and Power Co. and Montreal Light, Heat and Power Consold., has increased the dividend on its capital stock from $2 to $2.25 quarterly. For several years prior to 1932 the company paid a regular dividend of $10 on its common stock. For the last quarter of 1932 the rate was reduced to $2.25. Then in the second quarter of 1933 it was again reduced to $2, and, by the current action, is restored to the $2.25 level.

This action on the part of the directors is attributed to the availability of a larger surplus due to the sharp decline in the premium paid on the purchase of United States funds to meet bond interest payments in New York. In 1931 this charge amounted to $196,698 and in 1932 to $331,369. Since the turn of the half year the premium on American funds has dropped to a small fraction of what it was in 1932, so that the drain on the company's finances by this charge has been greatly lessened.

Earned $9.80 Last Year

Last year earnings available on the common stock were equivalent to $9.80 a share as against payments of $9.80 a share. Had it not been for the premium paid on United States exchange, share earnings would have been in excess of $10 and so enabled the company to continue its regular dividend of 10 per cent.

During the first quarter of this year receipts declined by 11.44 per cent. This was offset largely by a decline of 13.45 per cent in operating expenses owing to the readjustment of employees' wages which went into effect at the beginning of the year.

There has been no recent statement on the trend of earnings. It was hoped that the low point had been touched in the latter half of 1932, but the first quarter's returns indicated that such was not altogether the case in so far as gross income was concerned.

B. C. Power Meeting Re-elects Old Board

From Our Own Correspondent

MONTREAL—The Annual Meeting of British Columbia Power Corp. was routine in character, the retiring board of directors being re-elected without change. The financial statement and report for the last year were approved by the shareholders.

At a directors' meeting immediately fter the shareholders' meeting, the ollowing officers were elected: W. G. urrin, president; A. T. Goward and I. Newell, vice-president; E. H. dams, vice-president and treasurer. dams, vice-president and treasurer; rnest Rogers, secretary.

Public Utility Earnings

Jamaica Public Service

	1933 $	1932 $
August:		
Gross earnings	60,834	61,784
Net earnings	23,830	25,316
Surplus after charges .	13,288	16,006
12 Mos. end. Aug. 31:		
Gross earnings	794,009	793,997
Net earnings	328,220	315,342
Surplus after charges	215,455	207,086

Barcelona Traction

	1933 Pesetas	1932 Pesetas	Increase Pesetas
August:			
Gross earn.	8,736,334	8,302,902	433,432
Oper. exps.	3,285,418	2,976,348	309,070
Net earn.	5,450,916	5,326,554	124,362
8 Mos. end. Aug. 31:			
Gross earn.	74,548,408	72,855,971	1,692,437
Oper. exps.	25,553,990	24,321,799	1,232,191
Net earn.	48,994,418	48,534,172	460,246

Canada Northern Power

	1933 $	1932 $	Inc. $
August:			
Gross	303,794	278,956	24,838
Expenses	92,657	90,205	2,452
Net earn. ...	211,137	188,751	22,386
Eight mos. end. Aug. 31:			
Gross	2,390,965	2,273,441	117,524
Expenses	724,831	711,607	13,224
Net earn. ...	1,666,134	1,561,834	104,300

Railway Earnings

Canadian National Railways

	1933 $	1932 $	Increase $
August:			
Gross	13,376,756	12,447,578	929,178
Exp.	12,369,725	12,913,769	*544,044
Net	1,007,031	†466,191	1,473,222
8 months:			
Gross	94,134,223	105,409,935	11,275,712
Exp.	95,285,708	105,047,050	9,761,342
Net	†1,151,485	362,885	1,514,370

* Net decrease. †Deficit.

Canadian Pacific Railway

	1933 $	1932 $	Decrease $
August:			
Gross	9,943,272	10,166,228	222,956
Exp.	9,204,670	9,469,022	264,352
Net	738,601	697,206	*41,395
8 months:			
Gross	70,809,194	77,880,871	7,071,677
Exp.	63,841,072	71,072,078	7,231,006
Net	6,968,122	6,808,793	*159,328

*Increase.

CURRENT TREND *of* MONEY RATES

▼

WITHIN the recent past Great Britain, Canada, Australia and New Zealand have arranged important financial operations in London. In each case these have met with marked success, investors having quickly recognised the trend toward lower interest rates.

This trend emphasizes the desirability of investing today, for either short-term or long-term investment, in the direct obligations of the Dominion of Canada. Yields ranging from 4.20% to 4.50% are currently available on Dominion Government and Government-guaranteed bonds.

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NATIONAL SYSTEM RECORDS SURPLUS AUGUST SHOWING

C. N. R. Reducing Operating Deficit of Earlier Months

From Our Own Correspondent

MONTREAL.—An improvement of nearly $1,500,000 in net operating income is reported by the Canadian National Railways for August, 1933, compared with the same month last year.

Gross revenues in August last amounted to $13,376,756. This represented an increase of $929,178 over August a year ago and is in contrast with the current statement of the Canadian Pacific Railway which shows a decline in August gross as against the same month in 1932.

Operating expenses exceeded operating income by $466,191 in August, 1932, but this year the statement for the same month shows that expenses were $1,007,031 less than income, resulting in an improvement of $1,473,222 in the net operating income position.

Cutting Down Deficit

During the first eight months of the current year the Canadian National Railways gross income amounted to $94,134,223, a decline of $11,275,712 from the corresponding period of 1932.

Operating expenses for the eight months were reduced from $105,047,050 in 1932 to $95,285,708 in 1933. Consequently the current January-August period showed a net operating deficit of $1,151,485 compared with a surplus of $362,885 in 1932.

The operating loss experienced by the Canadian National Railways this year is being steadily reduced. At the end of July, the loss compared with last year, totalled $2,158,515. The surplus in August enabled the company to reduce this deficit to $1,151,485.

GARIBALDI LAKE AS POWER SOURCE NOW ELIMINATED

Seepage from Subterranean Outlets Ruled It Out

From Our Own Correspondent

VANCOUVER.—Garibaldi Lake has been eliminated as a possible alternative source of hydro power for Vancouver, now served exclusively by the B. C. Electric Railway Company, because engineers engaged by the city finance committee found the lake to have several subterranean outlets, which would make it of little value from a power storage standpoint.

Cost of the Garibaldi Lake scheme was estimated at $4,203,900. The other four power projects being considered, and their estimated cost, follow:

Cheakamus Lake to McGuire on the P. G. E. Railway, $7,703,000; McGuire to Brandywine Falls, $4,575,000; Cheakamus River near Canyon, $6,424,000; Daisy Lake, a comparatively small development, $1,052,000.

Hooking up of the five projects to develop waterpower at $109 per h.p. at an estimated cost of $23,900,000, would have added $2,130,000 as cost of transmission to Vancouver and $2,400,000 for substations.

All the schemes with the exception of Garibaldi Lake depend on water storage in Cheakamus Lake; therefore the Garibaldi Lake proposition had been considered independently as the most economical one, if feasible from an engineering standpoint.

Regina's Surplus $63,503 for First Eight Months

From Our Own Correspondent

REGINA.—Light and water public utilities show a surplus of $56,298 for the first eight months of this year. The street railway deficit for the same period totals $15,144. As the result of careful spending the city has a surplus of $63,503, which includes the light and water surpluses.

In view of the Western Canada Fire Underwriters Association report that Regina needs better fire protection in the form of more motorized equipment and better pumping facilities the saving of more than $5,000 in the fire department will be turned to a deficit if any action is taken this year, which is not regarded as probable. The relief department has saved $29,226.

Jamaica Public Service Earnings Lower in August

From Our Own Correspondent

MONTREAL—Jamaica Public Service reports consolidated gross earnings of $60,834 in August last as compared with $61,784 for the same month last year. Net earnings aggregated $23,830 and the surplus after all senior charges totalled $13,288. For the same month in 1932, net earnings were equal to $25,316 and surplus after charges $16,006.

Cumulative returns for the 12 months ended August 31, 1933, show gross earnings of $794,009; net earnings, $328,220; and surplus after charges of $215,455. For the preceding twelve months period the company had a gross income of $793,997, net earnings of $315,342 and surplus of $207,086.

Pulpwood Cut Fair

Summer pulpwood cutting in the woods of New Brunswick is about completed and present estimates are for a cut of about 100,000 cords.

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Central Canadian Exchange Is Needed, Says H. S. Denny

Should Provide Safe, Adequate Machinery For Interchange of Business With London and Europe — Ready-made Business Awaits Such Facilities

A central securities exchange, to which all other Canadian stock exchanges would be subsidiary, is suggested by H. S. Denny, C.B.E., Toronto. For the last two years, Mr. Denny states, Canadian brokers have been discussing ways of effecting some such organization with the object of effecting transactions with England and Europe safely and satisfactorily. Until such a centre exists, Mr. Denny does not believe it will be possible to get European co-operation. Canada and England, he says, would benefit from some recognized institution being formed if it were of such strength as to assure safety and adequacy in fulfilling its functions as a clearing house.

As things are brokers are trying to break ground with a view to establishing relations primarily with London. This desirable goal would be furthered in Mr. Denny's opinion by founding an exchange which in Canada would take the same place as the London Stock Exchange does in London and the New York Stock Exchange in the United States. At present Mr. Denny believes that a large amount of money enters and leaves Canada through the wrong channels from the Empire viewpoint. The spirit of the Ottawa conference should be applied to the question of facilitating Empire trade in securities.

Present Exchanges Should Agree

To The Financial Post Mr. Denny tentatively outlined his idea as to what should be done to bring this about. First, it was essential to have harmony among the existing stock exchanges and agreement as to what common action would be advantageous to all. It was also necessary to get a London point of view because whatever institution was created would have to inspire confidence in London. The numerous minor regulations of the London Stock Exchange would have all to be considered one by one as the new institution would have to do business so as to meet every stipulation with reference to the exchange of money, scrip or other essential documents. Internal requirements of a central Canadian exchange could be adapted to peculiarities of Canadian business but for international business broader lines must be taken. Advice of good men experienced in the technical operation and constitutional set-up of the London Stock Exchange should be sought.

Would Divert Funds

"The Canadian objective," said Mr. Denny, "is an organization sound in principle, one comprehensive enough to embrace the separate elements now fighting to maintain independent existence, one properly sponsored by men of substance, reputation and experience, one acceptable to the banking and financial institutions of their own country and designed in every way for smooth co-operation with other members of the Empire and with foreign exchanges.

"All the material for the creation of the consolidated central exchange is at hand—and a ready-made business is merely awaiting the completion of the machinery. There is no doubt at all—can be no room for doubt—that, given such an institution, streams of dollars will pour through its portals by diversion from channels that are today comparatively unprofitable to the Empire."

Auguries Are Favorable

Mr. Denny, who has recently returned from London, found a favorable augury for establishing closer relations with London in the instant response to the recently placed Canadian loan for £15,000,000. He thought this readiness would extend to general industrial and mining undertakings if they were made available under proper auspices. The Ottawa Conference established as its foundation plank a principle of co-operation between members of the Empire, and it was a pressing duty in his opinion to consider all the possibilities of co-operation.

Mr. Denny sees Canada as a vast territory with no recognized financial centre. The Montreal Stock Exchange and the Montreal Curb were the chief centres in Eastern Canada, in Toronto two exchanges had grown greatly in importance of recent years—The Toronto Stock Exchange and the Standard Stock & Mining Exchange—and in Calgary and Vancouver there were smaller exchanges. There was as well the Winnipeg Grain Exchange with hundreds of members.

Billion of "Nuisance" Money Runs Wild, Scaring Market

With more than one billion dollars of United States money "running wild" and upsetting exchange relations stock markets have lost their optimistic note. The talk of inflation which led to higher prices for many stocks is now proving a boomerang as closest advisers are wondering just what might happen if the billion or more dollars of "nervous" money which left the United States to avoid inflation when the United States "went off gold" should start another migration. The British call these unwanted hundreds of millions of United States money fleeing from a rising price country "nervous" or "nuisance" money. They would rather not have it as it can be "called" by the owners at 24 hours notice, and, if it is so called, the transactions cannot be made without having a further effect on exchange.

Wants Money Back

It may be that President Roosevelt's apparent change of heart on inflation proposals may be to tempt this money back again to the United States but at any rate it injects an unusual and unforeseeable element into the situation. "Inflation" values, that is, values given to stocks in expectation of inflation, are being squeezed out of the stock market at the present time as a result of this nervousness. Stability of exchange is acquiring a new attractiveness as an ideal. Many United States exporters, who hoped to benefit in foreign markets by the declining United States dollar, have found that the fluctuations make business difficult while NRA is raising their costs.

One very present reason for turning thought of Governments toward stable money at present is because of the large conversion operations necessary here and there through the world, including Canada. Confidence of investors is needed to ensure success, but a stock market built on hope of inflation cannot proceed at one and the same time. The two are antagonistic in nature.

Likes Hoarded Gold

The recession in activity in the United States may be temporary but in the meantime it is also exerting its influence on the market. If the wandering United States money can be drawn back United States dollars will again rise in value. This cannot occur so long as owners of the money expect that President Roosevelt may make another surprise move in the direction of inflation. Meanwhile "gold bloc" countries remain strong as inside capital sees no better currency to "flee into." If France did go off gold this billion dollars of nervous money forms the incalculable element.

There is too much liquid money in the world seeking safety rather than investment or goods.

If the dollar goes lower the movement will be strengthened for revaluing gold at $35 an ounce in U. S. money and gold countries might follow suit, sterling having £7. This is possible as pressure in United States for further inflation is very strong and may drive more money abroad. But even revaluation will need exchange stability and therefore is not likely this year or next.

In the British Isles hoarding is not regarded as the crime it is in other countries. In fact, financial journals refer complacently to the gold hoarded on behalf of foreign corporations and individuals. There is probably about half a billion dollars of it and it is regarded by the British as just as good a reserve when hoarded as in the vaults of the banks. It will come out some time and is a hidden source of strength.

Bonds

Our latest Monthly Review and Bond List reviews current financial and economic conditions and also contains a selected list of some of the most attractive bond offerings.

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News of Investment Markets

BOND MARKET MARKING TIME PENDING LOAN

Prices Recede Slightly — Report London Buying Here

The Canadian bond market marked time during the week ended Oct. 3, pending official announcement of terms of the Dominion's conversion loan expected Oct. 10. There was further slight recession in some gilt-edged securities bringing the average yield on seven bonds, as compiled by The Financial Post, up to 4.60 per cent. The low for the average this year was 4.35 per cent in late August and the high 4.766 per cent in March.

Buying of Canadian bonds is reported to be coming from London. Yields are attractive here, compared with British securities. One dealer told The Financial Post that purchases from British sources are outnumbering sales by ten to one. There is also understood to be some buying from New York by Americans who fear Washington's unusual policies. Ordinarily the approach of the Canadian dollar to about par would be expected to bring American selling. But this is apparently being offset by something in the nature of a flight from the American dollar into Canadian securities.

Yields on Conversion

Since the conversion loan will consist of short term 3½'s and longer term four per cent bonds, yields on similar securities are of interest. Dominion 4's of 1935 are quoted at 100 to 100½, a yield basis of 3.80 per cent on the offering price. This conforms closely with what is expected in the conversion offering on the short term issue. Dominion 4's of 1947-52 are at 95 to 95½, a yield basis of 4.35 per cent. While this issue will not be of the same maturity as the conversion 4's, it gives a close indication of the price which can be expected for the new bonds.

Western provincial bonds have continued to demonstrate marked firmness. Alberta and Saskatchewan issues were mostly unchanged in the week. B. C. loans were fractionally easier and Manitoba bonds slightly higher. While the gilt-edged market has been in a moderate downward trend, the western issues have held most of their gains of early summer.

Corporation bonds have been softer. Bonds in nearly all classes weakened during the week. Utilities were again uniformly lower. A few scattered corporation issues showed gains. The downward movement of prices was not sharp, but was plainly evident.

Trend of Yields

Comparison of average yield on seven bonds below indicates the recent downward trend of the market and the rise of yields. The average figure cannot be used for purposes of comparison with the forthcoming conversion because of inclusion of bonds varying high coupon rates and New York payment in the group. It is intended to show the trend. Average follow:

Average Yield on Seven Canadian High Grade Bonds*

	%		%
Oct. 3	4.456	Sept. 25	4.453
Oct. 2	4,460	Sept. 20	4.427
Sept. 30	4.459	Sept. 15	4.373
Sept. 29	4.449	Sept. 9	4.381
Sept. 28	4.454	Sept. 5	4.357
Sept. 27	4.459	Aug. 15	4.409
Sept. 26	4.454	Aug. 1	4.447

* Based on offering prices.

B. C. Stock Exchange Opens in Vancouver

The newly organized B. C. Stock Exchange at Vancouver started trading on October 2.

After a period of inactivity this Exchange resumed operations with over 40 members and offices located at 823 Pender Street West. The secretary of the Exchange is Arthur A. Mortlock. The hours of session will be 9 a.m. to 12 noon and from 1.30 to 2.30 p.m., except on Saturdays when the hours will be from 9 to 12 only, Pacific time.

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CANADA STEAMSHIP LINES LIMITED

First and General Mortgage 6% Gold Bonds, Series A, due October 1st, 1941

NOTICE is hereby given that the date up to which deposits of the above bonds may be made under the terms of the Deposit Agreement, dated as of April 18th, 1933, has been extended to November 30th, 1933.

The Committee is formed and operating solely for the purpose of protecting the Bondholders' interests. Bondholders who have not done so, are urged to support and strengthen their own organization by the prompt deposit of bonds.

By Order
BONDHOLDERS PROTECTIVE COMMITTEE
Dated September 29, 1933.

E. G. SMITH,
Secretary.

Room 101, 355 St. James St. W.;
Montreal.

Investment Notes

Canada Dry Whisky, Gin

ALTHOUGH Canadian experience led the management of Canada Dry Ginger Ale, Inc. to believe that the ending of prohibition would make little difference to their sales in the United States the company has entered into a number of contracts to use its distributive machinery to place well-known brands of liquor, wine and beer.

The latest contract announced is with the Penn-Maryland Co., jointly owned by United States Industrial Alcohol Co. and National Distillers Products Corp. calling for distribution of whisky and gin products. Penn-Maryland, according to the contract, will buy the entire output of gin by the Fleischmann distilling plant of Standard Brands, Inc.

Canada Dry, on its part, will buy these products direct from Penn-Maryland and it will also market a whisky to be known as Cedarbrook. It expects to market as well one of the whisky brands of Distillers Co., Scotland. It has bought a substantial interest in J. C. M. G. Hupfel Brewing Corp. and will market its products. It will market some Euorpean wines as well, it is understood.

* * *

Lake of the Woods

THE Lake of the Woods Milling Co.'s financial statement for the year ended Aug. 31 last will make its appearance in the next week or two. Expectations are that earning power will be on a somewhat better basis than a year ago. The volume of domestic and export trade has shown improvement, while higher prices prevailing should have been beneficial. The price situation in the milling trade is not altogether satisfactory, but there has been more stability in recent months. In the 1932 fiscal year Lake of the Woods earned 43 cents a share on its common stock. This figure should be exceeded in 1933. Dividends on the preferred stock are not regarded as likely in the near future. The company is building up its cash position and until a favorable working capital is shown, dividend distribution is unlikely.

* * *

Canadian Pacific

ORDINARY shares of the Canadian Pacific dropped under 14 this week. While the volume of trading has not been especially heavy, the stock has shown signs of weakness. This might be attributed in part to the general softness of the market. On the other hand, weekly reports on gross operating income have not been very encouraging, that for the week ended September 30 last showing a drop of $1,156,000 in revenue as compared with the same period last year. Net operating income, of course, has not been affected as much as the drop in gross revenue owing to the substantial economies put into force by the company. Even allowing for the smaller expenses, the net operating income of the company to date is not any better than last year, indicating that earnings are likely to be limited over and above fixed charges.

* * *

Toronto Elevators

FISCAL year of Toronto Elevators Ltd. has been changed to end July 31 and the annual statement of this company is now in course of preparation and will probably be issued in the next two weeks covering a ten months period. Henceforth, the company's fiscal year will coincide with the crop year as is the case with the majority of grain handling companies.

While western grain companies are reporting reduced earnings for their last fiscal year as a result of reductions in rates ordered last November by the Board of Grain Commissioners there is reason to believe that earnings of Toronto Elevators Ltd. will not be severely affected since reduction in rates applied principally to western elevators. Net profit of Toronto Elevators may be somewhat lower than in the corresponding ten months period of the previous year but preferred dividends were covered by a good margin and surplus was further increased. In the 46 months ended September 30, 1932, the company earned $15.85 per share on the 25,000 shares of common stock outstanding and disbursed one interim dividend of $1 per share on January 5, 1933.

* * *

Laura Secord Candy Shops

FEW stocks on the Toronto Stock Exchange have enjoyed the same stability as the stock of Laura Secord Candy Shops, Ltd., during the past four years. Consistently earning its annual dividend of $3 per share by a wide margin, the company has continued to increase its surplus and while fixed assets have been steadily written down, current assets, consisting chiefly of bonds, have been more than doubled in four years.

Fiscal year of the company ended September 30 and the report to be issued late in October will show reduction in earnings, possibly to $4 per share as compared with $4.89 per share in the previous year. Volume of sales has been lower due to lower prices and business conditions existing in the last three months of 1932 and the first quarter of 1933. Increased prices of raw materials have also reduced profit margin. Despite lower earnings the company will again be able to increase surplus and undoubtedly will be able to show a substantial appreciation in bond values. As a result the equity of the shares will probably be increased to some $34 per share.

W. E. Corlett Heads G. Tamblyn Chain

W. E. Corlett has been appointed president of G. Tamblyn Ltd., succeeding the late Gordon Tamblyn, founder of the company. W. C. Scott, former secretary, was elected a director and will succeed Mr. Corlett as vice-president, while W. H. Campbell becomes secretary-treasurer. All of these new officers were long associated with the late Mr. Tamblyn in building up the company to its position as a leading drug store chain. Mr. Corlett states that there will be no change in the company's policy.

W. E. Corlett became associated with Mr. Tamblyn in 1906 and has therefore been with the company from its inception. Mr. Scott has been with the company for 20 years and Mr. Campbell, who has been a director for some time and has been the company's purchasing agent, also has many years of service.

York Township Defaulted Oct. 1 Bond Principal

Township of York, bordering Toronto, population 68,000, has defaulted payment of $256,000 principal on bonds maturing Oct. 1, 1933. Interest was paid. This bears out expectations indicated in The Financial Post.

Falling tax collections and high relief costs are among the factors burdening the township. Further substantial payments of principal are due Nov. 1 and Dec. 1.

Negotiations are proceeding in connection with plans to refund most of the township's $18,000,000 debenture debt. Arrangements are expected whereby the township will either be placed under control of a supervisory board under the Ontario Municipal Act, or bondholders' consent will be obtained to lowering interest rates and extending maturities of debentures.

The township's financial difficulties are claimed to be due to concentration of principal payments over too short a period. Rapid expansion of population and extensive improvement programmes have been carried on in recent years, and funded over 10-year terms. Township officials feel that the present inability to pay off principal installments might have been avoided by spreading payments over 15 or 20-year periods.

GREY & BRUCE TRUST SELLS INVEST. CERT.

Interesting 5-Year Plan Followed by Trust Company

The Grey & Bruce Trust and Savings Co., Owen Sound, Ont., is selling a monthly payment investment certificate to investors in that district on an interesting plan. This certificate, The Financial Post is informed, is introduced without the aid of salesmen. The company receives no commission for the sale and relies entirely on its advertising material. It holds trustee investments in trust for the investor as it does under the general guaranteed investment certificates.

With respect to the monthly payment investment certificate, it is stated that there is no cashing privilege. Any payments that are made are left with the company until the due date of the certificate, and the only penalty for non-payment is shown in the following: "If the investor defaults in his payments for a period of three consecutive months the company reserves the right to refuse further payments, also if the investor does not keep his payments up-to-date for the first year he foregoes a borrowing privilege." It is the company's intention to allow the investor to borrow up to 75 per cent of the amount paid in at the current rates of interest.

The investor is allowed to add additional funds to his regular monthly payment during the first four years. The company guarantees repayment of all installments received, together with interest thereon at the rate of 5 per cent from the date on which each installment is received.

The company has more than $400,000 of Government bonds in its assets. The company itself is 40 years old.

Interesting Information for Holders of
LONDON REALTY COMPANY
(Hotel London)
6½% First Mortgage Bonds
GEORGE WESTON LIMITED
Write or telephone
R. N. BRYSON & CO.
Investment Securities
Bank of Toronto Bldg., Toronto
ELgin 8649

GODFREY REALTY HAS RELIEF PLAN

From Our Own Correspondent

MONTREAL—Holders of the six per cent first mortgage 15-year sinking fund gold bonds of Godfrey Realty Corp. have been notified of a meeting to be held on Oct. 27 next, to consider and ratify the following plans:

(1) First mortgage bond interest coupons falling due on Dec. 1, 1933; June 1 and Dec. 1 in each of the years 1934 and 1935, and those due June 1, 1936, are to be replaced by an issue of "scrip" secured under the existing first mortgage trust deed, both as to the face value and the interest thereon, in the same manner as the present coupons. This means that bondholders will receive some payment on account of interest during each of these years and, providing the net revenue of the company does not go below that now being obtained, should receive in interest payments during this period at least 3 per cent, which is half the regular interest rate. The outstanding amount of "scrip" and all accrued interest thereon is to be paid to bondholders on or before June 1, 1938. Regular interest payments at 6 per cent are to be resumed not later than Dec. 1, 1936.

Pay Canadian Funds

(2) Payments of principal and interest, formerly made in N. Y. funds, will in future be made in Canadian funds only.

(3) Sinking fund payments are waived until Dec. 1, 1938, and commencing at that time the company is to redeem annually until maturity at least $60,000 par value of bonds.

(4) A bondholders' committee of three is to be appointed by the bondholders, such committee to have wide powers at its disposal to enable it to carry out for the full benefit of the first mortgage bondholders the arrangement now being proposed to the bondholders; this committee to hold office for a period of five and one-half years, or until such time as all defaults on the part of the company have been remedied.

(5) The principal amount of the bonds is not disturbed and they will remain an absolute first mortgage security.

Metropolitan Building Earns Interest 2.01 Times

Income of Metropolitan Building Ltd. showed some decline in the year ended July 15, 1933, at $232,154 which compares with $247,087 in the preceding year and $288,658 in the peak year ended July 15, 1930. Operating expenses and fixed charges were also reduced and interest on the 7 per cent first mortgage bonds was earned 2.01 times, before depreciation, as against 2.13 times in 1932. Net tangible assets behind each $1,000 bond was increased to $2,191 from $2,079.

During the past year, $56,200 of first mortgage bonds were redeemed leaving $829,400 outstanding. Land and building owned by the company are valued at $1,674,299.

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Calgary Brewing	§5%	1942	Nov. 1	105
Northern Electric	*5%	1939	Dec. 1	105
Dom. Canners	†6%	1940	Nov. 1	...
Toronto Housing	‡5%	1953	Oct. 18	...

§ Purchase of bonds for sinking fund $10,900.
* $190,100 redemption for sinking fund.
† Purchase of bonds for sinking fund.
‡ $16,800 for sinking fund.

Bond Tenders

Oct. 16, City of Hull, Que.—$115,500, 5 per cent coupon bonds, dated May 1, 1933; $18,000 payable serially from May 1, 1934, to May 1, 1942 and $97,500 payable May 1, 1943.

Oct. 11, Roman Catholic School Commissioners of the City of Sherbrooke—$75,000, 5 per cent serial bonds, capital and interest payable in Canadian funds. Capital redeemable $2,000 per annum 1934 to 1938; $3,000 per annum 1939 to 1943; $4,000 per annum 1944 to 1948 and $6,000 per annum 1949 to 1953.

Men Everywhere acclaim the new
BROCK
HATS
$5
AND UP

Smart, new, and of traditional Brock workmanship, these new Brocks represent the most outstanding hat values in years.
[In the lower-price field ST. LAWRENCE and DUNBAR]
HATS by WOLTHAUSEN, BROCKVILLE
Hatter to gentlemen for over half-a-century
13
WHEREVER WELL DRESSED MEN CONGREGATE

Weekly Record of Financing in Canada

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date Issued	Offered By	Rate	Class	Amount	Price	Y
United Distillers of Canada	Oct. 4	O'Brien & Williams	....	Ord.	200,000 shs.	$6.25	

The Road to RECOVERY

A Statement by the Prime Minister of Canada

WITHIN a few days the Dominion of Canada will offer for public subscription the 1933 Refunding Loan, the purposes and terms of which will be announced in detail by the Minister of Finance on Tuesday, October 10. In this national undertaking an opportunity will be afforded both for sound investment and for public service, and I have no doubts as to the readiness with which Canadian investors will respond.

I feel, however, that the 1933 Loan marks a point in Canadian affairs to which it is only proper that public attention should be drawn as a means of extending justifiable encouragement to many thousands of men and women who have endured adversity with such admirable fortitude.

With due precaution against unwarranted optimism I think I may say that in Canada we are now on the road to recovery. The road may be long and progress may be slow, but the events of the past six months appear to demonstrate with increasing clarity that the downward trend has come to a definite stop and that an upward trend is now in progress.

The evidence of improvement is written in the statistical facts of our industry and trade. These records show that our general economic condition reached its lowest point during the month of February last and that today we are definitely above that level following a recovery which has been gradual but persistent and unmistakable.

The most significant of these figures are probably those dealing with the physical volume of business, wholesale prices and employment, and I give here briefly the record of recovery in each case as shown by the reports of the Dominion Bureau of Statistics.

The index of our physical volume of business, which represents virtually the economic pulse of the nation, stood last February at 67.1. For August, the most recent month for which the index is available, the figure was 89.9, an improvement of approximately 34%.

Wholesale prices, in which even minor changes are highly significant, have risen over 9%, or from an index of 63.6 last February to one of 69.4 in August.

Employment, although still at a regrettably low level, has, nevertheless, been gaining steadily for the past five months. On the basis of partial reports from industrial employers some 116,000 persons have been added to pay-rolls since last April. An estimate by the Bureau on a more comprehensive basis places the total increase in employment at 246,000 during the same period.

Our external trade figures are equally encouraging. Both exports and imports have risen, with the former showing the more rapid increase. As a result, Canada had a favourable trade balance of over $114,000,000 in the twelve months ended August 31st this year. For the corresponding period last year the favourable balance was only $38,000,000, and in the two previous twelve months' periods instead of favourable figures we had unfavourable balances of $45,000,000 and of $103,000,000 respectively.

All these facts and figures I think we may quite safely take as sign-posts on the road to recovery. In our further progress, no single factor will have more significance than the success of our national loan operations. The recent 4% loan in London was a notable tribute to Canada's credit standing. It was immediately oversubscribed many times and now commands a substantial premium. I feel satisfied that our own people will be quick to perceive that the 1933 Refunding Loan in Canada is at once a challenge and an opportunity—a challenge to aid in the restoration of business recovery and an opportunity to serve thereby their own and their country's best interests.

R.B.Bennett

PRIME MINISTER OF CANADA

DOMINION OF CANADA 1933 REFUNDING LOAN

THE FINANCIAL POST

Member Audit Bureau of Circulations

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TORONTO, OCTOBER 7, 1933

WHITHER THE UNIONS

AT THE convention of the American Federation of Labor, President William Green was able to report that the National Recovery Act codes in the United States had added 500,000 men to the ranks of organized labor in the United States. The largest gain has been in the soft coal industry where President John L. Lewis has established the United Mine Workers as the labor controller in almost the entire industry.

Those who first promoted the National Recovery Act were industrialists who had in mind eliminating some of their prime troubles such as price cutting and other forms of "unfair" competition. But soon industry discovered that the United States government was thinking less of the owners of industry than of the workers in industry. Seeing the way things were going the American Federation of Labor quickly organized itself to strengthen its position. It has taken advantage of the N. R. A. to attain to power it has never previously held even in the days of Sam Gompers.

Industry has objected. Spokesmen for large American manufacturers declare that the efforts of the A. F. of L. to secure control of labor have proved the most serious obstacle to the attainment of the objective of the Recovery Act.

N. R. A., instead of bringing employers and labor closer together, has divided them into two almost hostile camps with Uncle Sam acting as the chief arbiter.

The labor leaders may feel that they have made gratifying strides in membership and prestige. But perhaps without realizing it they have, through their support of the National Recovery Act, raised the question of whether or not unions are even necessary. If the president of the United States is to be the industrial and labor dictator of the country, is there any need for unions at all? Surely a beneficent Fascist or Socialist state will fix such hours of labor and rates of wages and working conditions as will gratify even the hardest-to-please workers. Why should the working man pay dues to a national union when his government is looking after his interests?

Under National Socialism in Germany, companies' directors are becoming mere dummies and industries are being run by the Nazi party leaders. Under National Recovery Socialism in the United States, labor leaders too may become dummies with no real influence but with the state performing their functions.

"SCIENTIFIC" TARIFFS

THE woollen tariff hearing has caused the Winnipeg Free Press again to criticise the "scientific" features of the system of tariff adjustment outlined in the Ottawa agreements. In this agreement, Canada undertook to fix its tariff against British goods on the principle that "protective duties shall not exceed such a level as to give United Kingdom producers full opportunity of reasonable competition on the basis of relative costs of economical and efficient production." This clause is criticized by the Free Press on the ground that the use of tariffs to equalize the cost of production, if rigorously followed through, would not encourage but destroy international trade. It would not ensure to consumers the benefits of competition as it is supposed to do but would withhold those benefits. According to the Free Press, "Under the plan of cost equalization by duties, a complete case could be made out for a duty on bananas high enough to permit the possible growing of that fruit in Manitoba hot houses."

Naturally one of the root causes of the world's troubles today is that the so-called scientific principle of tariff-making has been slavishly followed throughout the world and many countries, for instance the European countries in wheat, have actually raised their tariffs to the point of encouraging uneconomic production at home.

However, it is likely that the tariff board will keep in mind that Article 11 of the United Kingdom-Canada treaty, which has been quoted, emphasizes the relative cost of "economical and efficient" production and that Article 10 makes it clear that Canada will provide protection only to those industries "which are reasonably assured of sound opportunities for success."

The question is left somewhat indefinite as to who should determine what industries are "economic and efficient" and which ones are "reasonably assured of sound opportunities for success." But the important thing is to remember that the so-called scientific tariff-making provisions of the treaty have been distinctly and properly qualified to meet the objections that the Free Press now raises.

FLIGHT FROM TAXATION

THE lesson of the successful fight by the New York Stock Exchange against the heavy transfer taxes, which the desperate civic administration in New York City proposed to impose, will not be lost on other large organizations.

Just as more than $1,000,000,000 of liquid assets in the United States took flight across the Atlantic to avoid possible losses from the much advertised though vaguely-defined "inflation programme" of the Roosevelt administration, it is possible as well for many types of business which deal in services rather than in goods to move away from an area of heavy taxation to one of lower taxation.

New York City doubtless has to get taxes some way from its citizens to pay for the extravagances of past decades, but it cannot single out special classes for emergency levies without a decided loss of prestige and without giving to ambitious smaller cities nearby the chance of drawing desirable business.

If New York City's civic affairs had been honestly and efficiently handled in the past the present crisis would not have arisen. An enormous debt and heavy taxes are big black marks against any city because they stand out for all to see as an evidence that administration in the past has neither been wise nor entirely honest. New industries, seeking strategic locations, are apt to argue that if past administration has been unsound the same conditions will bring a recurrence in the future and that in any cases taxes will have to be high to pay for the sins of the past. That is why cities faced with heavy taxation are given a wide berth by new industries unless attractions from some other side are overwhelming. Even a huge city like New York finds that it cannot presume too much on its manifold advantages as the great financial and business centre of the United States.

This is not only true of a municipality, or of a state or of a province. New York Stock Exchange could even move up to Canada to avoid state and federal taxation of an onerous nature; many members of the Chicago Grain Exchange did establish themselves as members of the Winnipeg Grain Exchange to avoid the arbitrary and short-sighted interferences in the United States of legislators and administrators, interferences which pandered to prejudice and to politicians who needed a scapegoat to take upon itself the sins of their own shortcomings and of past attempts to affect prices by artificial measures. Canadians can rest assured that the nearer they keep to the ground during such periods of economic storm as the present the better eventually it will be for them and the more attractive Canada will seem as a home for capital needing investments.

THE WOOLLEN HEARING

THERE was a great deal of talking to the political galleries in the first hearing held by the Tariff Board under the Imperial Conference agreements. At times the discussion between the representatives of the Canadian woollen industry and the British woollen industry generated some bitterness, which is to be deplored.

Apparently the Canadian Tariff Board has been, properly enough, leaning backwards in its desire to co-operate with British industry. It took all the suggestions made by the British representatives as to the information that could be obtained from the Canadian industry. In turn the Canadian woollen industry co-operated by supplying on short notice extensive data on costs and markets, drawn up in the manner suggested by the British industrialists even though the Canadians felt that it was not the fairest system of computation to use. In brief, the Canadian industry did lay its cards on the table at this hearing only to find that the British representatives desired to use the hearing as a sounding board to stir up general antagonism in Canada against Canadian manufacturers and to win popular support for tariff reduction. This is hardly the purpose for which the Tariff Board was established and representatives of other British industries planning to come before the Tariff Board will show good judgment if they stick to their job of placing fair and comprehensive briefs before the Board and doing the Board the honor of considering it a judicial body and not a political committee.

PAYS TO PREVENT FIRE

BY ROYAL proclamation, Canadian citizens are urged to observe the week, October 8-14, as Fire Prevention Week. Communities throughout the country, under the leadership of chambers of commerce, municipal officials, fire departments, civic and other organizations, will devote a week to impressing the public with the importance of reducing the national loss of life, limb and property by fire.

For many years, the fire insurance underwriters have carried on fire prevention work, but the general public for a long time showed little interest in it. When the making of fire insurance rates by schedules began to be effective, however, and the citizens of organized communities learned that their insurance rates would be reduced for improvements in municipal water works and fire departments or in the fire protection of their own properties the desirability of fire prevention assumed more tangible form.

Since then, fire prevention week has become a season of special concentration in efforts which are going on unceasingly, rather than seven days out of a whole year, in which attention is given to the fire loss. There has been developed in the public a new sense of responsibility on this subject of fire prevention. The fact that for many years fire losses have increased almost continuously does not indicate that fire prevention work has been in vain. The question is, how much greater these losses would have been but for these efforts?

FEWER PROVINCES?

THE proposal for one provincial government for the three prairie provinces will not down. Hon. W. D. Euler, M.P., has come out in favor of the proposal. He would have one large Maritime province and one large Prairie province in the interests of economy.

The proposal will meet with less favor in the areas particularly concerned than elsewhere. It is always thus. There are many vested interests and many community ambitions and jealousies that would be disturbed by such amalgamations. Politicians would probably find a way to maintain a civil service staff at their present total even if there were a complete amalgamation. The promised savings probably would not develop.

For a start it might be better if the provinces were to continue as separate political entities but find ways to reduce their individual expenses. There is not a province in Canada with the possible exception of Prince Edward Island, that could not get along with a much simpler form of government and a much smaller civil service staff. The provinces have been battling for the last ten years to extend their authority into new fields and each victory has involved them in large new expenditures. Each of the provinces, particularly the ones with smaller population, carry on activities that could well be abandoned or centralized either by handing them over to the Dominion government or by setting up joint boards for two or more provinces. The three western provinces could consider merging their university activities, their fire prevention and insurance administrations, their agricultural experimental work, their provincial policing, their administration of various types of natural resources, even their appeal courts.

In some such direction, room might be found for a large measure of economy short of complete amalgamation.

WATCH GERMANY

THE Canadian government and Canadian industrialists may have to watch Germany carefully. A wireless message to the New York Times recently stated that a total of 33 cartels in various industries had been formed in Germany to raise and maintain prices and control production. This apparently is much the same process as that in the United States under the National Recovery Act but the dispatch ends with a few significant lines, that indicate tendencies which may appear later in the United States as well:

> "The new cartels facilitate German dumping because, as in the case of the steel industry, profits on high domestic prices can be devoted to financing exports at a loss."

EDITORIAL NOTES

The New York Sun is spending $500,000 on new presses to help along the N. R. A. Of course, it may have needed the presses anyway.

* * *

A man jumped off the 86th story of the Empire State building and lived to tell the tale. He landed on the balcony of the eighty-fifth story.

* * *

Hans Engelbert Dollfuss has no less than five portfolios in the Austrian cabinet. Mr. Bennett is more economical. He achieves the same effect with only one.

* * *

A C. C. F. speaker would suspend interest on all government bonds issued "in the past." The qualification is hardly necessary. If governments did that there would be no bonds issued in the future.

* * *

The very name of Canada seems to frighten the average American crook. One who robbed Senator Copeland of New York the other day stole all his American currency and left a large Canadian bill untouched.

* * *

One Hitler minister has restored the ancient German name of Gilbhart for October in his departmental reports. The oyster industry is pleased to note that there is still an "r" in it.

* * *

Who said Tammany politicians are dishonest? When New York aldermen had their salaries cut the other day one of them showed convincing honesty when he said that he worked hard for what he got; he had to get up at six o'clock every morning to fix traffic summonses for his constituents.

* * *

First prize for the nit-wit editorial of the week goes to Arthur Brisbane, Hearst commentator on "To-day." He says "while our dollar's value drops below 65 cents the Canadian dollar is worth 99 cents. Congratulations Canada." If the Canadian dollar is worth 99/100 of the United States dollar then it must be worth slightly over 64 cents. But Brisbane was always a better writer than mathematician.

POST-scripts

IT IS notorious that the average small community has better municipal government than the average large community. One seldom hears of genuine extravagance in an Ontario township or a New Brunswick town. The councillors are usually men of sober, common sense, who have too large a stake in the community to tempt them into piling up an excessive debt or a high tax rate.

An interesting story of a well-managed, well-financed small American city is told by Ed. Howe, editor of the Atchison Kansas Daily Globe. Mr. Howe is famous as a small town philosopher and possibly he has done more than any other man to make his town well known. Ed. Howe has written an article for the Rotarian Magazine, which tells of the creditable manner in which the citizens of Atchison have maintained the financial strength of their community of 12,000 typical mid-west souls. In the early days of the town, according to Mr. Howe, bonds were issued in the usual reckless American way to pay bonuses to railways, to build bridges, etc. Then year after year as the bond issues matured they were refunded. No attempt was made to pay them off but rather new bonds were issued for other purposes until the interest charge alone became a great burden to the citizens.

In 1920 a group of business men effected a change in the form of government and three business men were selected as commissioners and a manager was appointed. The commissioners had never been paid more than $75 a year for their work, but they have given the town good government and have been re-elected so regularly that there has been continuity in policy. In 12 years, the bonded indebtedness of Atchison has been reduced 70 per cent and the tax rate has been cut by one-third. This town has no crime wave; it has such a good fire record that insurance rates are low; the streets are clean; the parks attract attention from larger cities for many miles around. When the town has any bonds to sell they are sold directly to the citizens in small amounts and no commission is paid.

Mr. Howe suggests the commission form of government for other towns and cities in the United States to handle their colossal financial problems and give them better administration. But probably his survey proves not so much the value of the commission form of government as the value of having the affairs of the community managed by men whose primary object is to keep their own taxes and their own debt burdens low.

WHEN there is much discussion on the subject of poverty in the midst of plenty and of proposed methods of alleviation, it is worth remembering that the problem is a very old one, such as can be illustrated from the chronicles of the ancient Chinese. The trouble then as now was that commodities had to be transported to those who needed them.

A letter-writer to the London Times relates the story.

State monopolies date from at least the seventh century B. C. The Emperor Kuan Tshung established a monopoly of iron and salt. Price regulation by State purchase was tried as early as the fourth century B. C.

About 110 B.C. the Emperor Wu Ti formed a sort of "brain trust" to restore finances. He had three advisers—two of them rich capitalists and a brilliant young mathematician. They confirmed the salt and iron monopolies. "Whoever makes his own implements or makes salt shall carry an iron ring on his left foot and his utensils shall be confiscated." The abolition of private trading was tried in order that the middlemen's profits might accrue to the State. Prices were high owing to transport costs and State purchasing. It was proposed to try regional planning. Distant provinces were to give so much produce free and by a system of exchange goods were to reach the capital at a reasonable price fixed by the officials. But the arrangement seems to have cost more than that which it superseded. Forty years later another ruler asked his economists to account for the misery of the people. They presented him with 60 different answers; but agreed that the monopolies and the officials should be removed. Prices were still higher.

About A.D. 10 Wang Mang established six monopolies. Prices were controlled by officials who held surpluses bought when the market was low. But the officials were corrupt and "the people stood weeping in the market places."

In the eleventh century the famous Emperor Wang Ngan Schi tackled the problem afresh. He appointed a Director of Transport, giving him a large fund to control prices and offset transport costs by judicious purchases. Traders could sell to the State or buy on credit against deposited goods. For this accommodation interest was charged. Apparently the system proved too costly, for it was abandoned in 1128.

Sayings of the Week

"Balance, not force, is the secret of sound economics."—*Sir Oswald Stoll, English cinema tycoon.*

* * *

"Hymns of hate were never written in the trenches."—*L. W. Brockington, K.C., city solicitor, Calgary.*

* * *

"To be highly sensitive in public life is a tremendous tragedy."—*Lord Wakefield, British oil magnate.*

* * *

"Lower wages would mean more employment, not less wages but more wages, and more purchasing power."—*Sir G. B. Hunter.*

* * *

"Unless a light of decency and fairness burns in a newspaper office the publisher may as well turn the key in the lock, for he has no mission."—*Marlen Pew, editor, Editor & Publisher.*

* * *

"I confess to an uncomfortable feeling that the liberties for which our leading Socialists are pleading so passionately in Germany will become nonexistent here as soon as they have obtained complete control of the Government."—*Francis W. Hirst, British financial writer.*

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By F. S. C.

MORE ABOUT NAZI ECONOMICS

THE economic policy of the Nazi regime in Germany is only now in process of revelation. No economist, Hitler came into power with only vague economic notions in his head. While his early ideas are influencing the economic policy of his dictatorship all of them are subject to change in the actual process of working out. Being a first-rate opportunist, he used such conservative men as Hugenberg to aid his climb to power and then threw them overboard.

In Germany, the larger corporations have suddenly discovered that they are merely strings for the dictator to play upon. This was perhaps the inevitable result of post-war Germany's trustification. Cartels, trusts and state-blessed agreements had made Germany the most outstanding example of a nation where monopoly to oust the free competition of the open market, had become the definite theory and the practice of trade. Perhaps the monopolists thought they ruled the state; in any event, it was difficult to decide where private enterprise and state control divided.

John Strachey, in "The Coming Struggle for Power" published in 1932, said: "German economy does seem to have come near, though it has not reached, the theoretical goal of the monopolists, viz., a unified whole, with the municipalities and indeed the State itself as integral parts.'

Hitlerism in Germany has not changed that; in fact, Nazi economic policy is to take advantage of the monopolistic unity of German business to intensify State control. This is why Dr. Melchior Palyi was able to say in his column last week that German economic policy does not seem to have changed since the Nazis came into power. Hitler found the "Gleichshaltung" of industry half completed when he came to power. The job of making himself, as the representative of the State, the ruler of German business has been simplified for him by the particular trend that capitalism has taken in Germany since the war. (One must leave aside, as unanswerable from the available evidence, the important question of whether Hitler is to rule the trusts, or whether the trusts, as is frequently charged with pointed reference to the mysterious Herr Thyssen, are to rule Hitler).

* * *

RECENTLY in this column the political principles of Naziism were outlined as summarized from "Germany Enters the Third Reich" by Calvin B. Hoover. Mr. Hoover has devoted some attention to analyzing the economic aspects of National Socialism in Germany.

He points out that the mass proportions which the Nazi movement assumed were due to the desperate resolve of the German people to find something better than the automatic machinery of the capitalistic system. The Nazis set out to recreate the German economic system and to do it upon a national basis. They are establishing a new set of business ethics in the spirit of the old guild regulations of medieval times.

The Liberal notion that, if each individual follows his own selfish economic interests, the highest good for the community must automatically result has been rejected. The new view is that activity which hinders the community is to be avoided by the individual. To prevent conflict between individuals and community definite steps are being taken to put the community in control. The Nazis have hit upon the ingenious idea of retaining the form of private corporate ownership while taking over the functions of appointing or at least confirming the directorates of the corporations by the party. Thus, large German corporations must manage themselves in the public interests without regard for profit or their directors will be ousted by the State and new ones substituted.

* * *

AN ATTEMPT is being made to set up an autarchic state, comparatively self supporting. Unlike other nations, Hitlerite Germany has no great ambitions like doing a large export business, except such dumping as is necessary to maintain home prices. If this means default on some of her obligations abroad, Germany views that indifferently. The Nazis want a self-sufficient Germany, with command over its own economic state.

As in the United States, the programme of economic reform is to begin with agriculture. By tariffs and monopolies, the price of farm products is to be raised. Farmers are to be given protection against foreclosure and their debts are to be compulsorily converted at a lower rate of interest. The urban unemployed are to be settled on farms and a new economic balance substituted between agricultural and metropolitan areas.

Vague notions of "breaking the interest slavery" lurk in the minds of Nazi high command and measures are being thought out to reduce interest rates throughout the country.

Large programmes of public works have been put under way to provide employment. Encouragement is given to those who will hire additional workers such, for instance, as the rescission of a portion of the taxes paid by those who will employ an additional maid servant. Women are to be removed from the labor market by lending money to young married couples and providing for a substantial write-off of the loans with the birth of each child.

* * *

PARTICULAR concessions to the labor element or the propetariat are offered, the Nazi leaders not forgetting that they head a middle class movement. Mr. Hoover concludes that there is justification for the use of the term "Socialist" movement. The rights of private property are not recognized as having validity against the interests of the community. Private property is allowed to exist but surrenders its control. The principle of laissezz-faire is abandoned. Large fortunes and estates are viewed with disapproval. But while Naziism is not outright Capitalism, it is neither Utopian or Marxian Socialism because it is hostile to proletarian Socialism, it opposes class warfare, it is national instead of international, it is militaristic and militant insttead of pacifistic, differences in individual ability are recognized and the rights of those with superior ability to higher compensation are recognized.

Mr. Hoover feels that the fanaticism of both the leaders and the masses of the party are a serious obstacle to the successful development of the economic system of Germany under national Socialism.

Mr. Hoover's book "Germany Enters the Third Reich" is published in Canada by Macmillan's, Toronto.

As Others See Us

Government Should End Abuses

Niagara Falls Review.—It would be foolish to attempt to run a penitentiary as if it were a first-class hotel full of paying guests; but there is another extreme which should be avoided. The convicts need not be treated worse than beasts and come out from behind the walls thoroughly brutalized. Recent disclosures have shown that there are many defects in the present system and some suggestion has been made that a Royal Commission be appointed to enquire into the whole problem. It may be pointed out, however, that a Commission is not necessary, the abuses being possible of remedy by the Government or the minister responsible. Adopting that view, The Financial Post points out that: "The problem of penitentiary reform is one that should be put up to the man or the men responsible."

Demanding a Probe

Victoria Times—Either there is something very radically wrong with the internal administration of Kingston penitentiary or there is not. General D. M. Ormond, superintendent of penitentiaries, Ottawa, issued a blanket denial that convicts were cruelly treated. The Toronto Globe has been running a series of articles by an eminent physician telling of inhuman practices, while at the recent trial arising out of riots, a convict swore on oath as to his own treatment with the "paddle" and in the "hole"—already described in these columns. Now comes this from The Financial Post of Toronto:

"The problem of penitentiary reform is one that should be put up to the man or the men responsible. Primarily, the Prime Minister of Canada is responsible."

If there is nothing wrong in the penitentiary, the Minister of Justice, the superintendent of penitentiaries, the warden and officials of the institution have nothing to fear. If one-half of what has been said about conditions at Kingston be true, however, reform is long overdue. In any case, there seems to be a good deal which ought to be explained to the public.

Penitentiary Disclosures

St. Thomas Times-Journal—The recent riots at the penitentiary, the trials that followed, and now articles by Dr. Withrow and other former inmates, while they tell much that one would expect about a place of penal servitude and perhaps are written in a way that will tend to create an undue amount of sympathy for the inmates. have been sufficient to show, at least, that the system of administering our penitentiaries is sadly in need of reform. Public opinion has been aroused to a degree that makes action imperative.

There is a difference of opinion as to what line this action should take. The Globe, which is receiving a great deal of credit for publishing the Withrow letters, demands an investigtion by a Royal Commission and quite a few newspapers are backing up the Globe in this respect. The Financial Post, however, points out that investigators would tell us little that we do not know already. Commissions make recommendations but often these recommendations are forgotten or pigeon-holed. The government that will not act when public opinion is aroused and the facts are staring it in the face will not move more rapidly because a Royal Commission has brought down recommendations.

The problem of penitentiary reform is one that should be put up to the man or the men responsible, says The Post.

"Stop Me If You Have Heard This One"

One of the largest blocks of business houses in Glasgow had a cat. The caretaker was instructed to give a daily order to a butcher to deliver twopennyworth of cat's meat. The cat died and the caretaker told the boy to stop sending.

Two days later the butcher himself called and said to the caretaker, "Look here, I cannot afford to be without your order. Here is another cat."

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Business Conditions in Canada

The Week in Business

Week's Figures Spotty

FOR the fifth consecutive month employment at September 1 was higher than at the beginning of the previous month. Employment figures for both manufacturing and all industries rose slightly. More persons were employed than at September 1 a year ago, while the upward move was against the usual seasonal trend . . . Construction contracts awarded in September at $8,386,900 were disappointing, being below both August and September a year ago. The decline follows the seasonal trend, however. Private construction was maintained but engineering and large construction awards were almost entirely missing.

August coal production reflected the increased industrial activity, 881,801 tons being produced, compared with 727,075 tons in August, 1932. This year's figure is still 20 per cent below the average of the years 1928-32, however. . . . Coke production was greater than in any August since 1930 and the average for the eight months of the year to date is above the monthly average for 1932 . . . An all round decline was experienced in carloadings in the week ended Sept. 23, as compared with the previous week, while, compared with the corresponding week a year ago, merchandise and grain were considerably smaller and the other types of produce were higher. The index number, adjusted for seasonal influences and working days, declined from 67.38 to 62.93.

* * *

Railway Revenues Higher

MOVEMENT of freight and passengers on railways being in almost direct proportion to the activity of business, the gross revenues of Canadian railways provide an accurate indicator of activity. July is the latest month for which statistics of Canadian railways are available and the results for that month show that the gross revenue amounted to $23,713,459 or an increase over July, 1932, revenues of $743,533, or 3.2 per cent. This was the first increase in four years over the revenues of the corresponding month of the previous year.

The freight traffic increased by 10.6 per cent and freight revenues were greater by $1,597,139, or 10.1 per cent. Passenger receipts, however, fell off by $534,599, or 14.9 per cent and all other passenger train revenues also decreased. Operating expenses were reduced by $393,613, or 1.6 per cent, and net operating revenues were increased by $1,087,147. There was a 10 per cent cut in the payroll, amounting to $1,439,000 and the number of employees was reduced by 5,758, or 4.7 per cent.

* * *

New Dumping Scheme

IT IS becoming more and more evident that the 50 per cent script payments made recently by Germany under a transfer moratorium on long term debts are being used as blocked marks in promoting German exports, according to the Paris correspondent of the Wall Street Journal, New York. In the beginning the German idea seems to have been that these blocked marks, unemployable outside the Reich without special authorization, but practically free for any sort of payment within it, would sooner or later be invested in German enterprises. But their foreign owners showed little eagerness for such investment, which would have also had the disadvantage, from the German point of view, of threatening foreign control of German economic activities.

Thus little by little a market in blocked marks was created which enables buyers of German goods to settle their bills at a handsome discount, varying from 20 to 50 per cent, and foreign creditors to save at least a portion of the money invested in Germany and get it home. Where exports have a sure hold on foreign markets because of quality or price, they are not allowed to benefit by this device. The blocked marks, so far as the authorities can regulate their employment, are used only where exports need the aid of depreciated money to find a market.

In this manner it is evident that the German export trade is being subsidized by the creditors in foreign countries whose own trade may be suffering from German competition. Naturally, rival exporters are complaining about this new form of dumping.

A BARGAIN

Every perplexed investor should send $1 today for the next 4 issues of The Financial World, the October issue of "Independent Appraisals of 1,300 Listed Stocks," our analyses "10 Stocks For Recovery" and "5 Laggard Inflation Stocks." Simply return this "ad" and $1.

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SOCKEYE PRICES PAY FISHERS WELL AND PACKERS LESS

Pack Increases for Sockeyes and Pinks — Pilchards a Failure

HIGH QUALITY

Dominion Inspection Report Favorable—Hunting Down Sea Lion, Enemies of Salmon

Although demand of fishermen for 50c. instead of 30c. each sockeye has prevented realization of any profits which B. C. Packers and other packers of British Columbia may have expected to get from this fish, the net result has been a considerable increase of income for the fishermen themselves. The Department of Fisheries at Ottawa states that July landings of 244,000 cwt. of salmon in British Columbia gave $1,469,000 to the fishermen or nearly $503,000 more than the previous year. This occurred although the landings as reported were only some 3,000 cwt. larger than in July, 1932.

More Sold Fresh Than Frozen

Up to the early part of August more sockeye and pinks were processed in the salmon canneries of the province than were packed in the corresponding period of 1932 but other species of salmon were put up in smaller quantities. On August 5 the total pack was about 384,650 cases or approximately 37,800 cases below the 1932 figure.

British Columbia's salmon pack to October 1, however, showed a gain of 87,804 cases over the corresponding period of 1932. The 1933 total is 1,037,015 cases of 48 pounds each. It is well ahead of the 1931 figure at this time but far short of the 1930 mark of 1,862,200 cases.

One feature of the season has been the substantial quantities of fish, which have in 1933 been prepared for sale in the fresh and frozen form in order that advantage might be taken of improved marketing opportunities in the United Kingdom. A sharp expansion in the production of fresh and frozen salmon has been taking place. There has also been expanded production of mild-cured salmon.

A large part of the catch of the spring species of salmon went into the fresh fish trade and the mild cured trade. Chum pack also decreased. So did the output of cohoes and bluebacks. The canners handled somewhat more steelheads than last year, but the steelhead pack is never large.

Inspection Proves Quality

Ottawa reports that good results accrued from the close fish inspection given by the Dominion Department of Fisheries and members of the federal Board of Canned Salmon Inspection. Of all the 968,500 cases inspected in 1932 less than 12,000 were below certificate standard and of this 12,000 only 1,893 were under "Second Quality" and, therefore, could not be allowed to be sold. "Second Quality" salmon may be marketed but only if each can bears the quoted words in conspicuous letters of specified size. This report is gratifying evidence of the excellence of the pack.

Sea Lion Depredations

The Dominion Department of Fisheries vessel, "Givenchy," made its annual trip to the sea lion rookeries, west of Rivers Inlet, British Columbia, in June this year, to conduct its annual lion hunt. The threat of sea lions to the fisheries and especially to the valuable salmon fisheries has been responsible for the institution of this hunt. This year evidence of the rapacity of the mammals is shown by the numerous fish bones lying about the rookeries. The Givenchy is sent to the Pearl and Virgin rookeries every year to carry on this hunt for a few days.

Weather conditions were favorable at the middle of June and more landings were made at the rookeries than ever before, but the number of lions destroyed was smaller than in 1932, or 923 as compared with about 1,100. The frequency of the landings probably made the lions even more wary than usual. Of the total number killed this year 710 were mature lions and 213 were pups.

Pilchard Fishery Failure

Packers in British Columbia also face the fact that in July the pilchard fishery was virtually a failure. British Columbia fishermen took only 6,253 cwt., a trifling catch as compared with 128,060 cwt. in July, 1932.

Ordinarily the pilchards strike in off Vancouver Island, B.C., in abundant quantities in July and make brisk work for seine boat fishermen, workers in plants producing fish meal and oil, and employees of several canneries. This year the big schools did not show up.

This failure of the pilchards to appear affects about 240 seine boat fishermen and about 160 others employed in pilchard plants ashore. Seine boat crews scoured the seas off the west coast of Vancouver Island where pilchards are ordinarily present in greatest abundance during the summer and though they went to sea as far as 100 miles they failed to locate the schools. The Dominion Department of Fisheries ship the Givenchy aided the fishermen for a time and then the departmental ship Malaspina took up the search with four experienced pilchard boat captains aboard to carry the prospecting further. The pilchard fishery is normally one of the "Big Four" among Canada's pacific coast fisheries, the others being the salmon, halibut and herring fisheries.

Most of the pilchards taken are used in making fish meal and oil, some are canned, and a few are sold fresh. The movements of the schools have always been more or less uncertain and the Dominion department is giving, from year to year, increasing study to their movements in the hope of aiding fishermen to judge the likely movements more accurately. It is hoped that next year the fish may come back to Vancouver Island again.

Prairie Farmers' August Income Gains Sharply

Although actual movement of wheat throughout the Canadian West has been in very much smaller volume this year than last, a considerably greater quantity has been sold by farmers. Farmers' income, for example, from this source in August amounted to $15,108,617, according to the compilation of the W. Sanford Evans Statistical Service, Winnipeg, compared with $8,314,622 a year ago.

Income from other grains at $1,665,937 is almost four times the amount estimated in August, 1932, while receipts from the sale of butterfat amounted to $1,198,388 as compared with $896,239 a year ago.

Income from all sources in July amounted to $14,240,953 as compared with $7,678,677 in July a year ago. For the complete crop year, farmers' income totalled $166,900,802 as compared with $164,749,688 in the previous crop year.

QUEBEC AWARDS FOR CONSTRUCTION HIGHEST IN SEPT.

Dominion Total Down, However — Large Awards Scarce

September construction contracts awarded were 11.5 per cent less than those awarded in August in dollar amount and also 13 per cent below the figure for September a year ago. Building contracts awarded in September amounted to $4,741,800 as compared with $4,669,500 in August. Engineering contracts awarded totalled $3,645,100 for the same period as against $4,810,400 for August. The total value of all construction as compiled by MacLean Building Reports, was $8,386,900, as compared with $9,479,900 in the previous month and $9,647,000 in September, 1932.

Quebec led all the provinces with a total of $4,356,800 or more than all the other provinces combined. This compares with $3,586,600 for August and is the largest monthly total for this year. Each month has shown an increase over the former month since April. Ontario is second, with $2,577,000, or 30 per cent of the total. It compares with $2,894,700 for August and the decline of $317,000 is in engineering work.

Few Large Awards

Only one really large contract was awarded in September, that being for a bridge in the Province of Quebec at a cost of over $1,400,000. Other awards of $75,000 and over are as follows:

St. Gregoire de Montmorency & Ste. Petronille de L'Ile D'Orleans, P.Q., bridge	$1,424,600
Montreal, P.Q., park improvements	200,000
Montreal, P.Q., completion of addn. to city hall also tunnel bet. annex & city hall	180,000
Montreal, P.Q., repairs to asphalt plants	114,000
Montreal, P.Q., crib work	90,000
Ottawa, Ont., school	87,600
Village of Forest Hill, residence & garage	75,000

For the nine months of the year to date, construction contracts awarded have totalled only $63,430,700, as compared with $109,636,300 in the same period of 1932, a decrease of over 40 per cent, and with $360,000,000 in the same period of 1930, a decrease of more than 82 per cent.

New Industries and Plant Extensions in Canada

Compiled Weekly
By The Financial Post

Sovereign Potters, Ltd., has established a pottery manufacturing plant in Hamilton, Ont., and will manufacture high-class dinnerware there for Dominion-wide distribution.

Irvington Varnish & Insulator Co. of Canada, Ltd., a branch of the Irvington Varnish & Insulator Co., Irvington, N.J., commenced business in Hamilton, Ont., on July 1. Their chief product is varnished papers for the lining of bottle caps and varnished cambric used as an insulator by the electrical industry.

FIFTH CONSECUTIVE MONTHLY ADVANCE FOR EMPLOYMENT

Gain Over Past Five Months Has Been 16.4 Per Cent

Marking the fifth consecutive monthly increase, employment at September 1 was higher than at the beginning of the previous month, the staffs of employees co-operating with the Dominion Bureau of Statistics increasing by over 12,000 to 817,002 persons. The increase this month is more significant in view of the usual seasonal contraction at this date. Both the crude and seasonally corrected indices of employment, therefore, rose between one and two points.

In the five months since the beginning of April, the general trend of employment has been upward, there being an increase of approximately 116,000 workers, in the staffs of the co-operating employers. The sample of industrial employment upon which these data are based is large, and probably includes the businesses most subject to the fluctuations arising from current economic conditions; there is, however, no doubt that the excluded industries, as well as the smaller firms in industries covered, have also benefitted from the recent improvement in business, so that the number of re-employed persons throughout the Dominion must greatly exceed the figure quoted above, especially in view of the seasonal activity in agriculture.

Index Gains 16.4 Per Cent

It is significant that the index, rising from 76.0 on April 1, 1933, to 88.5 on Sept. 1, has shown a gain of 12.5 points, or 16.4 per cent; in the same period of 1932, there was a falling-off of 1.5 points, while in 1931 and 1930, there were increases of only 7.4 points and 8.8 points, respectively.

An analysis of the returns by industries shows that manufacturing experienced its eighth consecutive increase in personnel, the expansion being in favorable contrast with the slight decline that has been the usual seasonal change between Aug. 1 and Sept. 1, in the twelve previous years of the record. The greatest gains on the date under review occurred in textile and vegetable food factories, but with few exceptions, the other divisions also reported improvement. In the non-manufacturing industries, mining, transportation, building, services and trade also showed considerably increased activity, while there was a falling-off in highway and railway construction and logging.

Maritimes Alone Decline

In all but the Maritime Provinces, gains were recorded, the greatest being in Quebec and Ontario. Among the larger cities, Montreal, Toronto, Winnipeg and Vancouver reported advances, Quebec, Ottawa and Hamilton very little change, while curtailment was noted in Windsor and the adjacent border cities. Summary of city reports follows:

Maritime Provinces — Contraction recorded after 6 months of expansion. Highway and road construction were the chief industries to release employees. Other industries were more active.

Montreal — Sixth monthly gain added 2,970 employees. Manufacturing, particularly textiles, showed the greatest increase.

Quebec—Very little change. Service staffs increased, others fluctuated only slightly.

Toronto — Manufacturing showed substantial improvement, chiefly in vegetable foods, textiles, electrical apparatus and iron and steel.

Ottawa—Small increase, chiefly in trade, with only minor changes in other industries.

Hamilton—Manufacturing and trade busier with services and construction recording contractions.

Windsor—Iron and steel plants, chiefly automobile, reported decreased activity. Others changed little.

Winnipeg. — Manufacturing, transportation and construction were brisker. General trend was upward.

Vancouver — Almost all types of employment reported larger payrolls. More employment than at same date of 1932.

Footnote to N. R. A.

Bulletin of the National City Bank: It is one thing to put people to work at the expense of increasing industrial costs but may be another to keep them at work if the market for the product is narrowed by the resulting higher prices.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1933	1932	Cumulative Jan. 1 to date 1933	1932
Transportation—				
Car loadings (Sept. 23)	47,387	51,915	1,400,378	1,575,061
C.P.R. gross earn. (Sept. 21)	$ 2,739,000	$ 3,517,000	$ 76,537,000	$ 84,243,000
C.N.R. gross earn. (Sept. 21)	$ 3,426,547	$ 3,818,811	$ 99,568,876	$ 109,159,491
Monthly				
C. P. R. net earn. (Aug.)	$ 738,601	$ 697,206	$ 6,968,122	$ 6,808,793
C. N. R. net earn. (Aug.)	$ 1,007,081	$ ‡466,191	$ ‡1,151,485	$ 362,885
Iron and Steel—				
Pig iron, tons (August)	35,283	5,992	103,132	90,510
Steel, tons (August)	48,659	26,710	228,199	234,704
Automob. prod., No. (Aug.)	6,079	4,067	50,881	51,208
Auto Vehicles—				
Passenger, sales, No. (Aug.)	3,358	2,646	33,454	33,362
Trucks & buses, sales, No. (August)	552	559	4,055	5,641
Auto. exports, No. (Aug.)	1,754	1,566	12,258	6,225
Construction—				
Building permits (July)	$ 2,082,302	$ 4,412,169	$ 12,189,591	$ 28,753,213
Contracts (September)	$ 8,386,900	$ 9,646,500	$ 63,430,700	$ 109,636,300
Newsprint—				
Production, tons (Aug.)	194,262	157,919	1,268,833	1,304,657
Exports, tons (August)	165,880	152,760	1,140,419	1,217,986
Sugar—				
Imports, raw, lbs. (August)	66,650,000	98,885,200	374,671,000	519,853,000
Melt. & ship., lbs.*	68,270,428	82,116,218	495,720,370	569,162,759
Manufactured, lbs.*	60,877,719	81,916,973	485,758,000	550,000,815
Flour—				
Production, bbls (July)	1,822,928	1,201,965	7,565,309	7,134,414
Wheat flour exp., bbls. (June)	544,507	570,861	2,564,662	2,372,216
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (July)	116.18	87.85	458.68	445.83
Boots and shoes, pr (June)	1,965,647	1,559,192	8,823,892	9,129,585
Petroleum, imp., crude gal. (July)	118,271,494	104,209,139	381,537,889	555,187,131
Cotton, imp., raw, lbs. (July)	9,790,000	3,590,000	50,556,000	53,693,000
Rubber, raw, imp. lbs. (July)	2,670,000	3,425,000	18,748,876	30,096,659
Coal, imports, tons (August)	1,294,410	1,198,210	6,464,597	6,643,542
Gasoline sales, gals (June)	48,802,000	51,253,000	198,508,000	213,058,000
Trade—				
Imports (August)	$ 38,747,030	$ 36,527,262	$ 242,321,524	$ 314,285,344
Exports (August)	$ 44,723,252	$ 41,314,120	$ 302,162,200	$ 306,435,613
Wheat exports, bus. (July)	16,373,532	19,620,224	99,742,109	87,825,296
Labor—				
Employment Index (Sept.)	88.5	86.0	....	....
Electric Power—Output—				
M. Kilowatt hours (Aug.)	1,508,218	1,230,220	11,034,168	10,312,284
Finance—				
Failures, No. (July)	142	175	1,281	1,412
Failures, Liabilities (July)	$ 2,289,454	$ 2,986,840	$ 21,645,249	$ 24,208,290
Bank debits† (August)	$ 2,648,513	$ 2,115,675	$ 19,871,609	$ 16,828,259
Bond sales (August)	$ 92,412,225	$ 9,419,968	$ 248,656,175	$ 198,402,806
Insurance sales (Aug.)	$ 27,263,000	$ 28,370,000	$ 285,736,000	$ 281,372,000
Automobile Financing—				
Used cars (August)	$ 901,829	$ 1,161,564	$ 7,726,229	$ 9,846,542
New cars (August)	$ 906,611	$ 1,023,137	$ 7,734,716	$ 10,068,652

*Four weeks period, Aug. 19 to Sept. 9. †(000's omitted). ‡Deficit.

VALLEY GROWERS UNITE TO CONTROL APPLE MARKETING

Voluntary System Has Support of All Growers

From Our Own Correspondent

VANCOUVER — A system of voluntary marketing control supported by 100 per cent of the Okanagan growers and shippers—something often aimed at but never won—has at last been achieved, and as a result British Columbia's premier orchard district is counting on stabilized sales and reasonable prosperity for the first time in many years.

Complete endorsement of the much discussed "cent a pound or on the ground" campaign, which in its intensity has been a miniature duplication of the Blue Eagle programme in the United States, was attained only after a series of meetings in all sections of the Okanagan valley. At first there was considerable opposition from interests which contended that no one could anticipate prices and that to set a definite figure for apple prices would be impossible.

Threat of Boycott

However, majority opinion prevailed, although only after there had been ugly threats of boycott, strikes and other demonstrations and after considerable picketing had been done along the roads leading to packing houses. Several truckloads of apples consigned to shippers without the cent a pound guarantee were dumped.

The order of things now gets back to a position similar to that of the Committee of Direction with the important exception that it is a voluntary pool and not a compulsory one. Compulsory co-operation and artificial price control, it will be remembered, was vigorously denounced by W. Sanford Evans when he investigated fruit marketing conditions in British Columbia about three years ago, and the system was soon afterward abolished.

New System Outlined

Under the new system growers will ship their fruit to packing houses with the asurance that they will receive at least one cent a pound for it. The stabilization board now becomes operative. The board is composed of the shippers, and its members have agreed to operate under a cartel arrangement under which the movement of fruit will be controlled in its shipment to all domestic markets, no centre being given more fruit than it can absorb and no competitive shipments being allowed. Ruthless price-cutting was one of the features which caused the most trouble under the old conditions. Movement of fruit and distribution of returns will be made through one central office.

Prices are to be set by a committee appointed for that purpose. This committee will comprise three members of the stabilization board and three members from the growers, one of the latter representing each of the three main fruit centres — Vernon, Penticton and Kelowna.

Commodity Prices

	Week ending Sept. 30	Previous week	Same week last yr.
Cattle cwt.§	$4.65	$5.00	$5.40
Copper, lb.	.09	.09	.06¼
Cotton, lb.	.0995	.1015	.0705
Rubber, lb.	.0838	.0790	.0375
Sugar, raw lb.	.0355	.0362	.0316
Silk, lb.	1.85	1.95	1.85
Wheat (Man.) bu.°	.61¾	.66⅝	.49¼
Hides, lb.	.12	.13	.08½
Coffee, lb.	.07½	.07¼	.09¾
Weekly Indices			
N. Y. Annalist‡	105.8	106.6	93.9
Fishers'	♦71.4	71.6	†62.0
N. Y. Journal of Comm.■	72.7	71.3	59.6
Crumps (Brit.)*	64.2	64.3	†62.4
U. S. Labor▲	71.5	70.5	....

†Average, 1932. ♦Sept. 30
‡Week to Sept. 26. §Sept. 28.
*Week to Sept. 23. °Sept. 30.
▲Sept. 23. ■Sept. 23.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.) (August)	69.4	70.5	66.7
Retail (August)	78.6	77.2	84.4
U. S. Labor (Aug.)	69.5	68.9	65.2
Gt. Brit. (July)	69.0	68.6	65.9

‡ Basis of price quotations is as follows: cattle — steers, good, over 1,050 lbs., top price. Toronto: copper — electrolytic, New York; silk — Japanese, 13-15, New York; sugar—96 degrees centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee —Rio, No. 7, spot, New York.

Business Briefs

Coal Output during August totalled 881,801 tons, an increase of 21.3 per cent over August a year ago.

Coke Production in August amounted to 150,283 tons as compared with 144,812 produced in July and 120,936 tons produced in August, 1932.

Car Loadings in the week ended Sept. 23 amounted to 47,387 cars as compared with 47,634 cars in the previous week and 51,915 cars in the corresponding week a year ago.

Raw Rubber Imports in August were 4,021,735 pounds. This was a large increase over both July and August a year ago, the comparative figures for these months being 2,669,765 pounds and 2,173,019 pounds respectively.

Gasoline Sales in June amounted to 48,802,000 gallons as compared with 42,190,000 gallons in the previous month, and 51,253,000 gallons in June, 1932.

Bank Debits in August of $2,648,500,000 were more than 25 per cent higher than in August a year ago.

PORT OF MONTREAL REDUCES CHARGES

Grant Allowance to Exporters Stimulates Movement of Grain

From Our Own Correspondent

MONTREAL—As a temporary and experimental measure only in order to induce exporters to move their supplies of grain through Montreal in preference to other competing ports, the Montreal Harbor Commissioners are granting exporters an allowance of three sixteenths of one cent per bushel on all grain handled outward through the elevators.

A considerable quantity of grain has been diverted this season through other outlets along the Atlantic seaboard, and it is felt the logical route by which the grain traffic in Canada should move is the St. Lawrence.

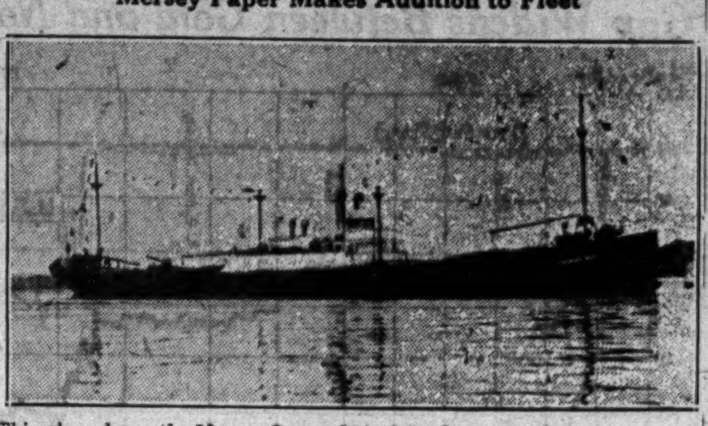
Deliveries Are Lower

Grain deliveries through the harbor of Montreal this season are 34,000,000 bushels lower than in the corresponding period last year, the respective figures being 42,330 471 bushels and 76,351,575 bushels. Wheat represented in 1931, 65 per cent of the total grain exports through this port, and in 1932 represented 74 per cent of deliveries.

The following figures, issued by the Dominion Bureau of Statistics for the crop year ended on July 31 indicate fairly accurately the movement of all grain, though the figures represent the export clearances alone of Canadian wheat through Canadian and United States ports for 1932-1933, compared with the crop year 1931-1932.

Port	1932-1933	1931-1932
Montreal	66,343,629	53,854,011
Quebec	6,130,794	88,326
Sorel	16,905,011	7,758,165
Saint John	1,275,047	35,951
W. St. John	5,589,826	1,981,057
Halifax	1,655,901	77,111
Churchill	2,736,030	544,769
Vancouver	91,712,728	75,627,167
Victoria	1,997,857	224,000
Pr. Rupert	976,480	320,320
U. S. Ports	26,330,000	32,025,000
Totals	221,653,303	172,535,877

Mersey Paper Makes Addition to Fleet



This view shows the Mersey Paper Co.'s S.S. "Liverpool Rover," a recent acquisition designed for the dual purpose of carrying pulpwood and paper. This vessel will supplement the services of the T.S.S. "Markland," an oil-burning boat built specially for carrying newsprint.

LARGE APPLE CROP BEING HARVESTED

Yield Over 15 Per Cent Higher Than in 1932

A bumper crop of apples is being harvested in Canada this year. The total commercial yield for 1933 is placed at 4,598,000 barrels, an increase of 621,000 barrels over the 1932 production.

Of this year's commercial crop the Province of Nova Scotia will account for 1,846,000 barrels; British Columbia, 1,394,000 barrels; Ontario, 1,064,000 barrels; Quebec, 254,000 barrels and New Brunswick, 40,000 barrels. This year's yield in Nova Scotia is nearly 792,000 barrels more than in 1932. In Ontario the increase is 146,000 barrels compared with last year. In British Columbia the 1933 crop is less than in the previous year.

The total yield of pears this year will be 465,000 bushels, about the same as in 1932. Peaches will, it is estimated, return 825,000 bushels, or about 80,000 bushels below the 1932 production. Plums and prunes will yield 218,000 bushels, a decrease of 64,000 bushels. The total production of grapes is estimated at 44,681,000 pounds or 9,400,000 pounds below the yield in 1932.

Practically all the pears, peaches, prunes, plums and grapes grown in Canada for the commercial market come from the provinces of Ontario and British Columbia.

Quebec Timber Cut Placed at 600,000,000 ft.

From Our Own Correspondent

MONTREAL — Provisional figures submitted by the lumber companies in Quebec to the Provincial Department of Lands and Forests indicate that the total timber cut during the season now starting will be slightly over 600,000,000 board feet. Last year's figure was about 550,000,000 board feet.

These figures are only approximate and represent the estimates that have so far been forwarded to the department by lumber companies with concessions in the province. All reports have not yet been received and it is expected that the actual timber cut will be in excess of the preliminary estimate of 600,000,000 board feet.

Frost & Wood Directors Discuss Cockshutt Deal

From Our Own Correspondent

MONTREAL — Directors of Frost and Wood Co. met at the end of last week in connection with plans for the concern's amalgamation with the Cockshutt Plow Co. Col. Harry Cockshutt, president, acted as chairman, C. Gordon Cockshutt was named second vice-president, and W. C. Pitfield, Montreal, and W. J. Philip, Brantford, directors.

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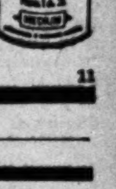

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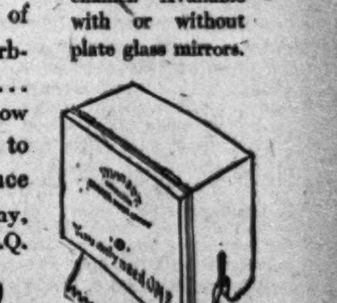


Install WINDSOR DUOTOWLS

EXPECT FRANCE TO LEAVE GOLD OR RESTRICT IT

Weight of Opinion Seems to Favor Persistence of Gold Premium

IMPORTANT TO MINES

Decline of U. S. Dollar Adds to Pressure on Franc; London Bullion Mart in Centre Stage

France is expected by European observers to abandon the gold standard before the end of this year. This is considered likely to force abandonment by others, if not all, of the French gold standard allies, Switzerland, Belgium and Holland.

If France does not abandon gold completely she is certain to hedge gold about with severe restrictions. In London it is suggested that France might increase the statutory value of gold instead of abandoning it completely.

Market value of gold would be affected by this development. But a premium for the metal over parity for most currencies is expected to remain. It appears that most authorities simply assume that a gold premium will persist, although one Canadian foreign exchange expert has the impression the premium will disappear.

The amount of premium commanded by gold in Canada is, of course, of vital importance to earnings and share values of mining companies. Whether the present premium, of about 50 per cent, is greater than can be expected if all major nations are "off gold" cannot be predetermined. It is conceivable that it might decrease or even disappear. But it is also possible that the premium might increase. There is no means of foretelling what would be the case in terms of other currencies either.

Strain on Franc

Recent decline of the United States dollar to about 65 per cent of its gold parity has brought it into the same range as sterling and the Canadian dollar. All are close to the same discount from gold. This veering from gold is said to have placed France under greater strain to maintain the gold standard. The French peasant and rentier classes want the gold standard at all costs. The French Government needs an excuse, or a reason, for abandonment.

Gold has been flowing from France to London and elsewhere. Perhaps this will furnish France with the chance to leave gold and blame it on external conditions, a consummation which some important French interests consider desirable. Certainly the London market price for gold has been higher than franc parity, thus causing the transfer of gold from Paris to London. Establishment of a free gold market in the United States, it is thought, might further aggravate the French difficulties and hasten the abandonment of gold. It is even suggested that the decline of currencies and the market price for gold have been engineered to drive France off the standard. This may seem imaginative, but there is no denying the effect of the declining dollar.

Deflationary budget tactics are suggested in certain French Governmental quarters in an effort to cling to gold. This may be only the smoke screen which will allow France to leave the standard without seeming to do so willingly. On the other hand, it may be straightforward because the French budget is sorely in need of balancing.

Value of Gold

This still leaves unsolved the question of the value of gold in the event of French abandonment.

The London bullion market is the centre of the stage. It is now the only major public market for the metal in the world. The daily price is set each morning by a handful of dealers who arrange the price to suit their accumulated buying and selling orders. The quotation does not change throughout the day. Thus, in the peculiar situation, if and when France goes off gold, four or five men in London may conceivably be setting the price of what is usually considered the occidental world's standard of value.

The price of gold in London has been maintained for many months by a demand from European banks, the British sterling equalization fund, and private hoarders of many nations. At the same time more gold than ever before has been flowing to London; from gold mines in Canada, Africa and Australia, from oriental hoards, and from some central banks. There is no outward flow of new gold from the United States. There appears to be an abnormal supply as well as an abnormal demand.

Market Possibilities

What will happen to the two sides of the market, if France leaves gold? There is no indication that gold will be placed on the market by the United States, France, Great Britain or other large governmental hoarders. Private hoarders will probably continue to cling to their supplies as long as currencies are uncertain. The flow of gold to London from France and other ex-gold nations would probably cease. If the premium falls substantially, the Orient might stop disgorging its hoards; mines might produce less; such countries as Canada might keep at least part of the production in governmental hoards of their own. Thus, there can be a decrease in the supply.

The demand for gold is chiefly for monetary purposes. Buying for private hoards has been to some extent for safety's sake. With all currencies off gold, there appears to be no reason for this hoarding demand to disappear. The sterling equalization fund, however, would perhaps confine its activities to dealing in currencies. It could be contended that European central banks would cease buying. But they have not done so in the face of possible abandonment of gold by France. The London bullion market has been fully aware of this possibility for months, and gold has been purchased as rapidly as it has appeared on the market. Obviously buyers are anticipating an eventual resumption of the gold standard. Most leading occidental nations have indicated that such is their desire. Thus, gold will be bought and kept pending the day of resumption.

German Demand

A demand for gold may arise in Germany. The reserves of the Reischbank have been depleted. The Nazi Government is reported to be converting foreign exchange into gold. France is believed to be counting on a major part of its gold for its war chest, and is expected to be a potential buyer and an unwilling seller. France, it is reported, will not let her gold go to Germany.

On balance, it appears that there is reason for the supposition that gold will still command a premium even if France abandons the metallic standard. The franc might crash. But it is decidedly uncertain whether the price of gold would drop as precipitately, if at all. Hoarding demand might become even greater than at present. Public psychology, a most uncertain factor, would play an important part in this connection.

The price of gold on the open market would be an important factor in arranging any currency revaluation. At present gold is at a premium of about 50 per cent and sterling, and Canadian and United States dollars are at about a 35 per cent discount from their metallic parities. The Roosevelt administration in the United States has the power to cut the gold content of the dollar in half, thus raising the statutory value of gold by 100 per cent. The maximum value of gold under revaluation, then, would be $41.34 an ounce.

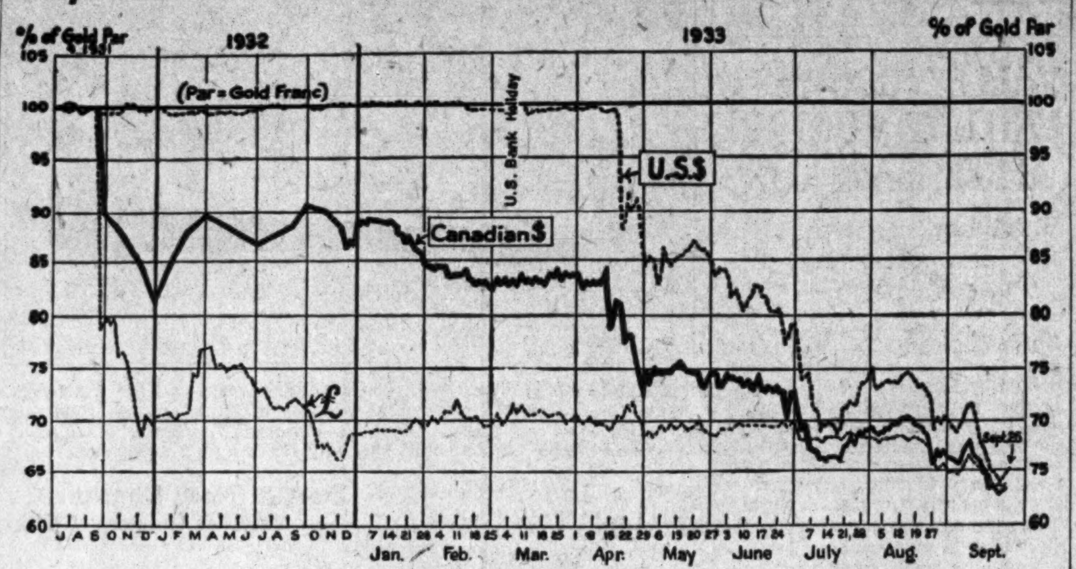
Currency Stabilization

Stabilization of currencies could be arranged at least temporarily without fixing a new statutory gold content. Equalization funds could do it. But their resources would not be unlimited. Thus, large American balances now held in London, France and in Canada might be withdrawn rapidly if stabilization were arranged before these dangerously volatile funds are returned to their proper resting places. For this reason the British are reported to have refused to enter into a stabilization agreement with the United States.

How then can stabilization be arranged? It would be possible for the United States to start the ball rolling. If Washington were to set the gold value of the dollar at, say, 70 cents, American funds now held abroad might flow back. Then the British would probably be willing to consider a stabilization agreement. For one thing, the repatriation of American balances would tend to depress the pound in terms of the dollar to a point more in keeping with what British economists have contended is the "natural" level for their money. Other nations could follow the lead of these two great financial powers. But drastic confusion could ultimately result, if all round stabilization were arranged hastily without careful consideration of the individual national economies, according to experts.

Many economists are now of the opinion that a world-wide business recovery is under way. Stabilization of currencies in terms of gold would aid this movement materially, according to experts. This could probably be arranged, at least on a temporary basis, if France first abandons gold. For these reasons, it is thought in some informed quarters that a reconvening of the monetary commission of the London Economic Conference may be arranged within a few months. With the whole world off gold, it is believed that last summer's stabilization dispute could be settled.

Gap Widens Between Gold and Non-gold Currencies



September decline of the American dollar has resulted in British and Canadian currencies veering away from gold parity. The French franc is used as the measure of currencies in relation to gold. At the same time, the relationship between the pound and Canadian and American dollars has become much closer. This is due to the greater relative decline of United States unit. Consequent upon this, the Canadian dollar line has been pushed below the sterling line on the chart, indicating that the pound has been above $4.86⅔ in Canada. Implications of the trend away from gold parities, on gold currencies and on the price of the metal, are discussed elsewhere in this issue.

Gasoline Prices Differ Because Qualities Do

Non-Technical Account of Processes and Selection of Compounds in Crude Oil to Make Better Grades Excel in Pep, Smoothness and Quick Start

Confused by technical terms of the Oil Industry and suspicious of what they do not understand, many laymen have been showing a tendency, during the years of depression, to try out at intervals cheaper gasolines than those they had been accustomed to use. They see advertised, at service stations in Eastern and Central Canada, gasoline at from 15 cents to 22½ cents a gallon, not including provincial road taxes, and they wonder if they could not make a welcome economy in running their cars on the cheaper gasolines and at the same time get something of the same service.

A representative of The Financial Post, not convinced by any means that these laymen were entirely wrong, last week asked technical men to declare the reason for their faith that at the higher prices the motorist is getting better value than by buying cheaper grades.

Some Deception Occurs

Though unable to check, amid oceans of bewildering data, the definite relation of price to improvement in quality of gasolines, the interviewer was convinced by what he was told that the scales of prices of reputable firms did very definitely represent actual advantages to the motorist in one product over another. This applies mainly to the well established and advertised brands of the main companies but the situation does lend itself to deception and abuse on the part of unscrupulous companies which can raise the price of an inferior gasoline to the higher prices for standard quality and well advertised brands and thus work it off on the unsuspecting motorists who think they are getting good gasoline. This sort of thing is done every day and the real escape for the motorist is to deal with companies or individuals of proven commercial integrity and intelligence.

Buying Service in Gasoline

With the well advertised and established brands the motorist is buying service to a far greater extent than he imagines. That better brand has not exactly the same content Winter and Summer, for the companies' experts are adjusting their standard products to climatic conditions. Everybody is convinced that they require a different grade of oil for lubrication in the Winter than in the Summer but few know, or realize, that the larger companies, with modern refineries, actually change the make-up of their standard grade of gasolines to suit climatic changes in temperature, thus affording the same quick starting feature throughout the year, and, further, to give this same quick starting property, the set-up of the gasoline for Winter is more costly than for Summer.

Not only the above feature but standard advertised grades are so made up that their performance as fuels for the engine is smooth and without bumps or "pings" because of the evenness of explosion throughout the travel of the piston, while some inferior or cheaper grades actually contain fractions too heavy for the average automobile engine to burn.

These different grades and the prices go back in the first instance to the selection of crude oils, from which can be produced good gasolines. Just like any other manufacturer, the refineries select the raw materials they need for the quality of gasoline they sell, but in all crudes there are myriads of compounds which the chemists and engineers have to select or reject.

Where "Pep" Comes From

In drilling into any oil sand or horizon the driller finds overlying the oil pool and interspersed throughout the sand, a gas laden to the point of saturation with globules or drops of the lightest of the gasoline fractions. This body of gas, with its globules, is drawn off at the wells and conducted to a gas absorption plant where these gasoline particles are extracted. This very light gasoline in itself is not a motor fuel because it vaporizes quickly and at low temperatures, but when blended in the proper proportions with gasolines produced at the refineries, it affords a quick start on a cold morning. This selected gasoline is purchased by the larger companies and mixed with their standard brands for the production of a quick-starting fuel. Further, because of its high octane rating it gives "pep" to the gasoline to which it is added and a performance with a minimum knock or "ping."

"Octane" Rating Defined

For the benefit of the layman who may not know exactly what is meant when one speaks of "octane" rating, it may be explained that this is an arbitrary scale devised for the measurement of the "rate of propagation of the flame" or the evenness of burning. The more even the burning the less knock or ping, and, while we use the term "explosion" actually there is an appreciable element of time required in the burning of gasoline in the cylinder of a car.

In the above, we have merely dealt with selected gasoline inherent in the crude which can be recovered by straight distillation under normal pressure. Gasoline can also be produced from what is known as "gas oil." Gas oil is that part of the crude which in straight distillation is recovered after kerosene is recovered and before heavy fuel oils. The refiner treats it in special apparatus known as "cracking coils" subjecting it to heat and pressure, even as high as 1000°F. and 1000 pounds and causes the molecules to break into lighter and heavier particles.

The lighter particles are separated and, after a complicated chemical treatment, afford the second source of gasoline in the refinery. It is of a superior grade for motor fuels.

Thus the larger companies, who can undertake the huge investments necessary in such plants, have provided themselves with further quantities of gasoline of the highest qualities for motor fuels. From these sources they select the choicest fractions which, when blended, produce their branded products. The fractions of crude oil which remain are blended in the proportion in which they occur to make the low cost gasolines, which usually are not sold under brand names and which, as motor fuels, are inferior to the "branded" products.

The explanation of the differing prices of gasolines is, therefore, to be found in the selection of crudes and the processes of manufacture.

U. S. PRODUCERS BAND TOGETHER ON PAPER CODE

Newsprint Operators Here Interested in N.R.A. Agreement

Newsprint manufacturers in Canada are following closely the action taken by American operators in the formation of a code of fair competition under the provisions of the National Industrial Recovery Act.

Practically all newsprint producers in the United States have given their support to the code which, if approved by the N. R. A. administration, will go a long way toward rehabilitating the industry. At the same time the Canadian operator, marketing more than 80 per cent of his production in the United States, is concerned, for the code may have an important bearing upon his activities.

The code is a lengthy and detailed document. Primarily it provides for hours of labor and wages in conformity with the N. R. A. standards; competition; fair selling price; and standards of newsprint.

American publishers and other consumers of newsprint fully anticipate that the code will be the means of increasing prices and consolidating the position of the American producer in his domestic market. The latter is a foregone conclusion, though the powerful political influence of the consumer will be fully utilized to prevent any lessening of competition from foreign sources.

May Increase Price

A higher price for newsprint is not a certainty, but by subscribing to the terms of the N. R. A. the manufacturers have taken a long step forward in achieving that end. In the face of increased labor costs, the publishers are at a disadvantage in opposing an advance in price. Producers have already foreseen this situation by including a section in their code having to do with a fair price based on operating costs. As many have been selling newsprint below cost, the industry would have little difficulty in summoning up an imposing array of facts and figures to justify higher prices.

Interest to Canada

The Canadian newsprint manufacturer is not adverse to seeing the price of his product increase. His interest in the code centres around developments which might affect his marketing arrangements in the United States. While the proposed code in itself does not have a direct bearing upon imports, considered in conjunction with the Recovery Act, there is sufficient cause for the Canadian producers to be concerned over possible adverse developments.

Section E of the Recovery Act provides that if a particular product is imported into the United States in such quantities or under conditions nullifying the effectiveness of the code, complaint may be made to the President, who, in turn, can impose regulations restricting or banning importation in order to effectuate the code.

Canada is Main Source

For several years the United States has looked to Canada for approximately 54 per cent of its annual newsprint requirements. The domestic industry is not in a position to meet the publishers' needs even though machines were operated at capacity. Of the total machine installation in the United States about 40 per cent is idle. Some of this equipment will never be operated again, while a fair proportion of the balance cannot be operated profitably without a substantial advance in the price of newsprint. As conditions now are the American industry is not far short of its effective capacity so that the publisher must look to foreign sources to fill his paper needs.

This condition is familiar to the American publisher who, directly and indirectly, has encouraged the growth of the Canadian newsprint industry. This has resulted in the building up of a source of high quality, low cost newsprint. The Canadian producer, moreover, provides keen competition to the American operator so that the publisher is assured of adequate supplies of newsprint on a competitive basis assuring a fair price.

Another angle to the situation is that several of the major American newsprint producers have taken advantage of the very favorable conditions for newsprint manufacture in Canada to establish mills in this country. The principal American producer, for example, has a larger productive capacity in Canada than in the United States.

With these major concerns having an interest in newsprint mills, both in Canada and the United States, it is unlikely that they will initiate steps to restrict importations from this country.

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A Few Applications of Nickel in General Motors Cars

3½% Nickel Steels in the gears and carburized parts.

5% Nickel Steels in the gears, rear axle pinions and other heavy duty Carburized parts.

Nickel Chromium Steels in the axle shafts, steering knuckles, arms, etc.

Nickel Molybdenum Steels in the wrist pins, steering knuckle pins, gears, and heavy duty Carburized parts.

Nickel Cast Iron in the Cylinder blocks, cylinder liners, valve sleeves, brake drums, clutch plates, sprockets, etc.

Ni-Resist Cast Iron for applications involving corrosion and heat.

INCO NICKEL TRADE MARK

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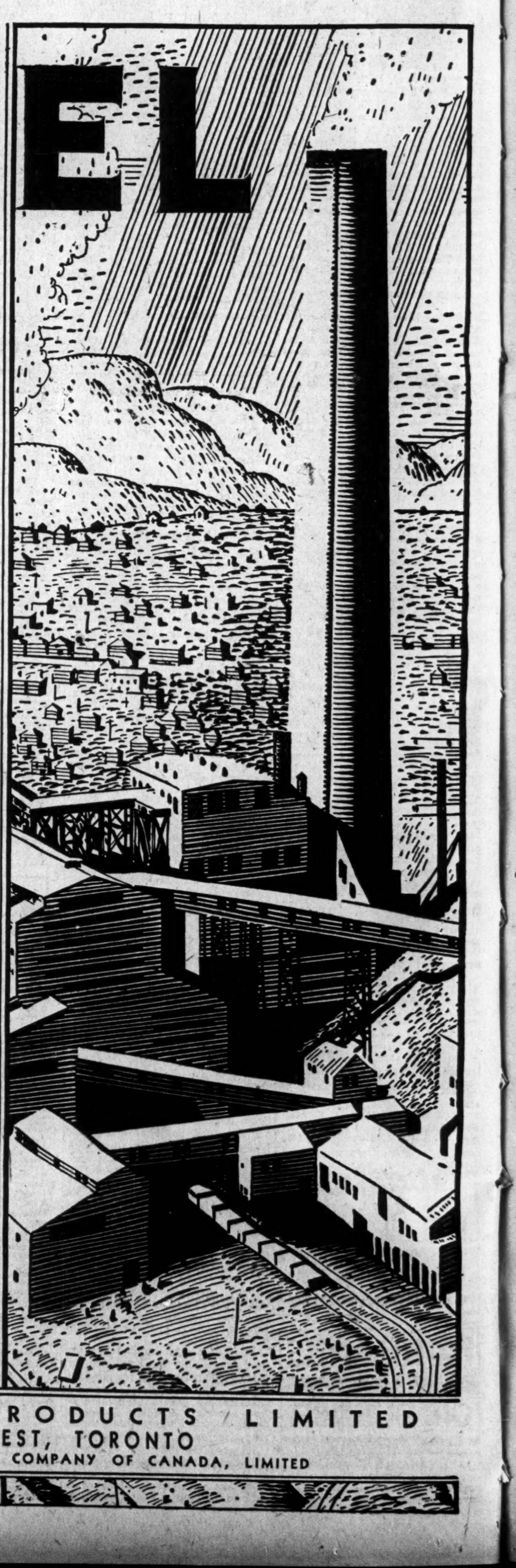

Your Investments

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Equity Is But One Factor Investors Should Watch

Method of Determining Book Value — Accuracy Depends on Proper Valuation of Assets—Less Important Than Earnings, Working Capital Position

What is the best way to calculate the worth of a stock from a balance sheet? Is net worth synonymous with "book value"? To what extent can net worth per share be used to compare stock of one company with stock of another and is there any relationship between the net worth of a stock and its market value?

Determination of the net worth or equity of a stock from a statement of assets and liabilities is not particularly difficult nor is it very accurate in the majority of cases. The book value of a stock, which is one form of equity, is the total value placed on the stock on the books of the company plus the amount of surplus or minus the deficit in surplus account. Divide this total by the number of shares outstanding and you have the book value or apparent equity. This is the simplest way of figuring worth of a stock and least dependable.

Working Out the Equity

The method used by The Financial Post is to take the total assets of the company and deduct therefrom such intangible assets as the value placed on goodwill, patents, copyrights, etc., and such deferred charges as organization expenses. From this total would then be deducted the total of current liabilities, the reserves set up for depreciation and renewal of plant and equipment. Then, depending upon the capitalization of the company, there might be the face value of outstanding bonds and preferred stock, to be deducted and in more infrequent cases minority stock interests in subsidiary companies. The result would be the net assets of the company available for common shareholders which would be divided by the number of common shares outstanding to give the equity of each common share.

As an example of how the book value would be worked out we might take the hypothetical balance sheet of the non-existent X. Y. Smith Co. This statement at the end of the last fiscal year is as follows:

Assets	
Current assets	$500,000
Prepaid expenses	25,000
Organization expence	10,000
Fixed assets	300,000
Goodwill	165,000
	$1,000,000
Liabilities	
Current liabilities	$200,000
Mortgage payable	50,000
Deprec. reserve	75,000
Pref. stock	400,000
Common stock	200,000
Surplus	75,000
	$1,000,000

The company has 2,000 shares of $100 par value common stock outstanding and in the purely accounting sense this stated value on the books of the company is the book value of the stock although common usage would include the surplus. On the latter basis the book value of the stock would be $275,000 or $137.50 per share.

Deduct Intangibles from Assets

There appear in this balance sheet, however, certain intangible items that might have little, if any value, if the company were to be liquidated. Prepaid items might include prepaid insurance or taxes that have a definite value but organization expenses of $10,000 and goodwill of $165,000 should be deducted from the total of assets. Depreciation reserve of $75,000 probably represents in large degree actual depreciation in buildings and equipment and in many cases fixed assets are shown in the balance sheet after deduction of depreciation reserves. If these three items, totalling $250,000, are deducted from the total of assets, there are left assets of $750,000 to meet current liabilities of $200,000 and mortgage payable of $50,000. If the preferred stock is redeemed at par value of $400,000 and assets are liquidated at book values, on this basis the common stock has a net worth or equity of $50 per share.

The net worth of a stock in relation to its market value is only one of many factors to be considered when trying to determine the desirability of a stock as an investment for many other factors play a more important part in determining the market price. The trend of business conditions in the country and in the particular industry in which the company operates forms the broad background of price movements. The company itself may be affected by changes in management or in policies. The stock may be subject to manipulation. None of these may be readily apparent to the investor but the trend of the price of the stock will eventually be influenced by them.

Earnings More Important

The earnings record of the company is a more basic factor for the investor to study than the net worth of the stock since it is only out of earnings that dividends can be paid over a period of time and net worth of the stock increased. The working capital position of a company is also of vital importance since sufficient working capital would enable a company to carry on a business during periods of depression which a company with a weak working capital might not be able to survive. It would not be impossible for the net worth of the stock of a company in a very weak position to be as large or larger than that of a company in a strong financial position. In the first case the company might have little in the way of current assets and a large amount invested in fixed assets which had no earning power. In the second case, the company might have the bulk of its assets in high grade securities which would be classed as current assets, while its fixed assets might be comparatively small.

Laura Secord Candy Shops Ltd. is a case in point. This company, with total assets of $1,892,995, had current assets of $1,505,581 at September 30, 1932, of which $1,348,705 was in government, municipal and other bonds. The policy of the company in renting, rather than purchasing, store sites keeps the amount invested in fixed assets at a low figure. Equity of this stock has been increased each year and according to latest balance sheet figures stands at $32.17 per share. Except in 1932, the market value of the shares has never been lower than the equity of the shares. This company, of course, is unusual for its extremely liquid position.

Sells Under Equity

The Massey-Harris Co. is a good example of a company that shows an equity for its common stock in its balance sheet that is considerably above the market value of the shares. When earnings reached a peak in 1929 market value for the common stock went as high as $98.75 per share although the equity at November 30, 1929, was $41.95. As earnings declined and conditions in western Canada indicated that the company would have considerable difficulty in collecting accounts receivable, the market value of the shares dropped rapidly and since 1930 has been well below the equity of the common shares which has dropped to $15.98. Until there are prospects that earnings can be substantially improved the market price of the stock is hardly likely to exceed the equity of the shares which for the past three years has been decreased annually due to operating losses, write-offs and payment of fixed charges.

Where a company is operating profitably and the future is reasonably assured the market price of its stock is usually in excess of the equity of the shares. When earnings decline and the future appears doubtful the market price may drop below the equity, particularly where the assets of a company may be subject to heavy write-offs for depreciation, depletion and losses on accounts receivable, inventories or investments. As long as the company is a going concern, however, its common stock will usually have some value even though any equity for the stock has been wiped out.

Is Nominal Figure Only

Equity in most cases, would be above the amount that actually could be realized on the common shares in the event of forced liquidation of the company. It will be apparent therefore, that the worth calculated from a corporation balance sheet is a purely nominal or theoretical figure. It depends upon the values placed by the company upon its assets and not only may this value be either higher or lower than is actually the case on the final day of the fiscal year but the value may be subject to very material change during the year. This is particularly true of investments and inventories. In the case of concerns with a very conservative management, the real equity of the common stock might be considerably higher than the theoretical book value computed from the balance sheet. It is not unusual, particularly in times of good earnings, for hidden reserves to be set up by carrying assets at very conservative figures well under the true worth of the stock. The result of such conservative policy, of course is to reduce the apparent equity of the common stock. The more accurate the picture conveyed by the balance sheet the more accurate will be the determination of equity but other factors will continue to exert strong influences on market values and equity of the shares will therefore remain but one of many considerations that may determine the investment merit of a stock.

Enquiries

Machine to Eliminate Poverty

A Vancouver newspaper carried a one-quarter page advertisement by Peter Ivanoff, 329 Republic Building, Seattle, Wash., under the heading of "Co-Motional Motion Is Coming Very Soon" in which he says that this invention will supersede all existing methods of power application and that very soon the price will be set by the demand—secured by mechanical proof."

I don't know exactly what he means by co-motional motion, especially as he speaks of it as an invention that will supersede all existing methods of power application but it appears the people of Canada have been giving him financial assistance for two months back so that he can demonstrate his "basic invention" and he says it will be possible for him to demonstrate the machine very soon. He adds that the experiments, whatever they are, are "finished" and that "the machine works." He promises a demonstration soon.

He says this is "a way of escape from poverty" and he adds, "the present price makes it possible for the average person to make his future financially safe but soon it will be out of reach of that class." He says that the one who wants to invest now shares in returns from every country in the world. He does not mention stock, or tell in what way one can get in on this. Instead of stock, he talks of "outstanding cards." Can you explain his plan or tell me what securities he is offering?

We would refer you to the advertisement referred to for an explanation of "Co-Motional Motion." The advertisement very clearly and definitely states that Co-Motional Motion is "a positive geometry" and "Action without reaction." It adds, "It is here, works and is ready to uplift humanity once more." If you carefully read those definitions you will be just as wise as we are with reference to Co-Motional Motion. Nor do we know anything about the finances but it is apparent to us that in so far as an advertisement of this character can bring money, it is "A way of escape from poverty" for somebody. In any event it would be better to await the demonstration of this "uplifting" machine before sending money. One way of escape from poverty is to resolve on the negative but important policy of not throwing your money away on vague and indefinite schemes which are accompanied by promises and statements impossible to make good.

Silverwood's

I hold 100 shares of Silverwood's for which I paid close to $100 a share. Will you please give me an up to date analysis of the affairs of this concern? Do you think I should continue to hold this stock, or take my loss and reinvest in some other industrial issue which has better possibilities of appreciation?

Silverwood Dairies securities are not listed. This is true of the 6% ten year convertible series A debentures outstanding to the extent of $261,374 on April 1, 1933, of the $3,132,800 7% cumulative preferred stock of $10 par value, of the 147,789 no par class A or ordinary shares and of the 25,000 no par class A or ordinary shares and of the 25,000 no par value common shares. Though the business had its beginning in 1903, its expansion until it covered all of Southern Ontario from Windsor to Niagara Falls has occurred since the war mainly and has been accomplished with the aid of continuous stock sales to the public until two or three years ago. During the depression stock sales have been difficult and expansion has been halted although some effort has been made to sell debentures.

The company expanded by establishing subsidiaries in district after district, managing these until they showed a profit, and then offering shares of Silverwood Dairies in exchange. In June, 1928, the company was organized in its present form to acquire control of subsidiaries and associated companies. It now has the controlling interest in the stock of 28 subsidiary companies with plants from Sarnia to St. Catharines. On April 1, 1933, there was little stock of subsidiary companies in the hands of the public.

The basis of exchange was the same in respect of practically all companies, that is, $100 par value of preferred stock of the subsidiary in exchange for each share of Silverwood Dairies preferred and two shares of common of each subsidiary for one share of Silverwood Dairies class A stock. As the capitalization has been built up mainly by such exchanges, the value of the various stocks can only be decided by reference to the financial statement and the revenue experience of past years. The company itself controls the market for the shares and if things improve will, no doubt, through a financing associate company, take in shares that may be offering.

You do not state what class of shares you own but it is probably preferred shares. All dairy companies have had, in the last three or four years, an increasingly difficult experience because of the low purchasing power in rural districts and the desire of farmers with cows to get as much cash as possible. This led them to concentrate on milk and led in the end to increasing competition in the cities and other centres where milk was sold. Lessening purchasing power in the cities also reduced consumption of milk. However, most of the large companies have managed to maintain their positions in readiness for recovery.

A. E. Silverwood, president, in the annual report on July 3, 1933, stated that the difficulties of the period since 1929 had been further increased through the lack of purchasing power on the part of the public, resulting in a marked reduction in sales. As one of the largest, if not the largest, manufacturers and distributors of ice cream in Canada, operating under one name, the company suffered a reduction in volume of between 30% and 40%. The milk business also suffered, though as many homes were served. Production and delivery costs have been practically the same on a reduced volume. Rigid economies were made necessary. Taxes have piled up. Mr. Silverwood stated that if 1933 provincial and Dominion taxes had remained the same as 1932, prior to revision, the financial statement would have shown an improvement of $75,000.

In March last the preferred dividend was reduced to a basis of 4% per annum. The company shows assets exceeding $5,000,000, of which current assets account for $473,060 and fixed assets, less depreciation and reserve and not including lands, to $1,743,873.

Current liabilities amount to $417,401, and the working capital is the weakest element in the situation. The company also for the first time in the last year showed a liability of $204,950 as a result of the issue of the 6% convertible debentures. It reduced preference stock in that year, however, by $200,000, disposed in the last three years of more than $400,000 in bank loans, reduced preference stock by $18,000 to $153,025, and funded debt of subsidiaries from $238,250 to $219,300. There is also an amount of $256,555 owing on purchase agreements due 1935.

Sales in the year ended April 1, 1933, were $6,186,715 as compared with $6,640,722 in the preceding year. Net earnings were $541,675 compared with $665,140 in the preceding year. Net profit was $213,944 and the surplus only $10,734 after paying preferred dividends. Total accumulated surplus is only $1,507. The organizing and sales ability shown in the building of the company is a factor to be reckoned with in the future. Drought conditions have lessened the pressure of excess milk and prices have recently gone up. This is to the advantage of the company. In the next few years, however, it should further improve its working capital position, get rid of the purchase agreement in 1935 and otherwise strengthen its position. Such action would immensely improve the company's investment position.

Abitibi Preferred

Will you please give me your opinion on the desirability of buying Abitibi preferred as an investment at the present time?

Purchase of Abitibi preferred stock as a speculation at the present time would be a leap into the dark. It is true that the newsprint business has improved considerably in recent months. This is the reflex of a greater activity of business in 1933 in the United States. There is now a lull which may last a longer or shorter time and the effect on demand from the United States is not yet known. There is also the question of what newsprint code will finally be accepted in the United States. The Canadian companies' interests are really protected by the publishers who do not want to be at the mercy of the domestic industry.

Abitibi is working under a receivership and under a petition in bankruptcy. It is well managed and there are protective committees for the bonds and for the preferred stock. Sooner or later, these will come forward with a reorganization proposal. In advance of those proposals it is guesswork except for insiders as to what one should pay for the preferred and for the common. It might prove a profitable purchase if business turns out well. As to that our feeling is that sooner or later the lower cost plants will be running again eventually on a profitable basis. There are still hurdles to clear.

Imperial Pete, S. of N. J.

I hold shares of Imperial Oil, Standard Oil of New Jersey and International Petroleum. Published earnings of Imperial Oil and Standard of New Jersey have been dropping in recent years. I don't know what Pete's earnings are. Should I sell or hold?

Apparently your holdings of International Petroleum, Imperial Oil and Standard Oil of New Jersey, all of these being strong companies with excellent financial strength, are favorably affected by the oil code accepted in the United States. Price-fixing has not yet come and if it does come that might prove in the end a boomerang but if the United States Government and the states are able, working together, to keep the production down to the level of consumption, present prices for crude may hold and other prices get to a level which may allow a little better profit than previously. International Petroleum is especially affected by the price increases in the mid-continent field because its prices are related to the posted prices there. However, if other countries than Canada were to interpose higher barriers to imports that might hamper exports but at the moment there is no sign of that. Imperial Oil, as the parent company and Standard Oil of New Jersey as holder of a large block of shares, will gain from whatever improvement International Pete experiences. Imperial Oil gets two thirds of its dividend from International Petroleum.

Paramount

I understand the moving picture business has made some improvement. Would you kindly let me have the latest information as to the position of Paramount Famous Players? Is this stock worth anything at present? If so, how much? Is there any effort being made at reorganization of the company?

Any other information that you can give me will be much appreciated.

Paramount Players is now operating under a receivership and a petition of bankruptcy. The stock is worth little at present except as a gamble. Shares are now changing hands at 1½.

An effort at reorganization can possibly be expected if the company under the trustees in bankruptcy gets into a position which will enable it to dispose of its pressing debts and to go on again free of receivership and bankruptcy proceedings. Whether in the end that will be good for the stock or not one cannot tell. There are many banking and funded obligations of the company which come before that.

Standard Steel Preferred

I am holding some Standard Steel preferred stock but cannot find out what the present market value is. Can you give me any information regarding this, also as to the prospects of this company?

Last sales of Standard Steel preferred were at 47 while sales of common have recently been from 10½ to 12.

There is considerable talk of a pool being operated in the common stock of this company and many rumors have been given currency with regard to merger and other possibilities and prospects of the company. Enquiries from people quite close to the company do not show that present business is large enough to get excited about. The company has a good liquid position, however, has improved plant continuously and consistently during the depression period and is ready to take advantage of any new business that offers. A small company like this can become quite active when it gets a few good orders. With a pool operating, all calculations as to prices of the stock are mere guesswork. The long view prospects of the company appear quite good.

Hayes Wheels

Can you give me any information as to Hayes Wheels & Forgings Ltd.? I have not seen stocks of this company quoted for a long time and would like to know what the company is doing and what the stocks are worth.

The preferred and common stock of Hayes Wheels & Forgings Ltd. were withdrawn from trading on the Toronto Stock Exchange in April because of non-compliance with listing rules. Interest due April 1 on the company's 6 per cent first mortgage bonds has not been paid and there is no indication as to when interest payments will be resumed. Several insurance companies who are fairly large holders of the bonds are closely in touch with the situation but as yet no formal protective committee for bondholders has been formed.

No financial statement has been issued by the company since that for the year ended December 31, 1932, which was issued in March 1933. During 1932, the company had a loss of $182,674 after payment of bond interest but before provision for depreciation. At the time the bond interest was passed, it was stated that the company had net current assets of $192,973 at March 20, 1933, and if interest had been paid on April 1 it would have been necessary to arrange a bank loan. A number of economies in operation have been effected and the company is endeavoring to carry on until business in its line shows improvement. As far as we are aware, there is not even an unlisted market for the preferred or common stock of Hayes Wheel at the present time.

Inflation and Bonds

I noticed recently in a press dispatch from Ottawa that moderate inflation for Canada has been practically decided on by the government. In your opinion, if and when this is consummated, will it likely have an unfavorable effect on bonds and guaranteed bonds of the Dominion of Canada and other high class securities?

In the first place it is not certain that the Government will try to invoke even moderate inflationary measures in Canada. But if something of this kind is done, the effects will depend largely on the nature of the inflationary programme, and on whether or not simultaneous action is taken by the two chief creditor countries in relation to the Canadian economy Great Britain and the United States.

If radical measures (say currency inflation) were adopted at Ottawa, gilt-edged bonds might be harmed marketwise because of selling from abroad and by frightened Canadians, or by drying up of purchasing. If also the Government were to unbalance its budget further, say by large public works programmes, there might logically be a decline in Government bonds because of the need for further flotations to finance such works.

If, however, Great Britain and the United States are successful in price-raising through expansion of credit by means of public works financed on balanced budgets, Canada might enjoy the benefits of rising prices without assuming any risks. We have already had rising prices without taking active steps to bring them about. At the same time our high-grade bonds have advanced. Thus, if Ottawa merely encourages the development of an impetus which comes from outside, without doing anything very radical, there is good reason to suppose that high-grade bonds would not be adversely affected. It is worth noting that when credit inflation in Canada, Great Britain and particularly in the United States, prevailed under a gold standard in 1928, gilt-edged Canadian bonds were at very high prices.

Price raising takes from bondholders a concealed levy in the form of decreased purchasing power of their fixed money income. But if this results in restoration of the position of debtors to approximately that which existed when the debts were contracted, the chances of repayment are more secure. So it works two ways.

It is, of course, impossible to foretell what policies will be adopted and what will result. This brief note cannot cover even the major possibilities of what is worthy of a lengthy treatise.

If international lending recommences, long term money rates in London and New York will be a major influence on high-grade bond prices here. Evidence of this is seen in the upward impetus given to Canadian bonds by the successful flotation of a four per cent sterling loan this year.

Canada Steamships

I would like to have your opinion on the position of Canada Steamship Lines. I notice that a Bondholders' protective committee has been formed. Am I under any obligation to send in my proxy and what would happen if I did not send it in?

Canada Steamship Lines' position has weakened and at present a bondholders' committee is investigating the situation. So far this committee has been making a general survey of the situation and has not yet reached the point where a reorganization plan is actually under consideration. It is difficult to forecast what may happen in order to strengthen the position of the company. Results in recent years have shown that the company is heavily burdened with its funded debt and some steps may have to be taken to reduce carrying charges. In the event of the committee deciding upon such a course, the position of the common and preferred stocks would undoubtedly be affected while the general mortgage bonds would contribute their share toward the company's rehabilitation.

The committee has no legal standing until it secures the deposit of a majority of the bonds. To that end it has been asking for proxies. If you do not deposit your proxy your position is not affected. On the other hand, by withholding your bond you hamper the committee in its effort to secure legal standing. In the event of the committee making a report which does not meet with your approval, you are under no obligation to accept.

Canadian Paperboard

Will you be good enough to let me know what has happened to Canadian Paperboard Co.? I hold some of the bonds of this enterprise.

Bondholders of Canadian Paperboard Co. have approved a capital reorganization whereby the holder of $100 principal amount of bonds will receive one new preference share plus one new common share for each $400 principal amount of bonds and interest accrued to April 1, 1933. In other words, the holder of a $1,000 bond will receive ten shares of preference stock and 2½ shares of common stock in the reorganized company.

Rackets

Racket: "A trick, dodge, scheme, game, line of business or action."—Shorter Oxford English Dictionary.

Language of Racketeers

LIMEY. An Englishman joins the gang," by James Spencer, with an introduction by H. Kingsley Long (Longman's Green and Co. Ltd., New York and Toronto), gives the tale of an English crook who slipped through the immigration regulations of the United States and was a gunman assisting various rackets, first in New York state and afterward in California. The book is of interest for two reasons: first, because it purports to be an unbiased record from the inside of what is occurring in various parts of the United States; and second, because the pages are adorned by constant use of the language which goes for conversation in the underworld.

This is the way that James Spencer, who was called "Limey" because he was an Englishman, lined up the situation after studying it for a while on his arrival.:

"Before I was through with the job I began to learn something about American city life. I began to get wise to the fact that the dollar is almighty sure enough, and that a man can do almost anything if he has the right connections and the proper sort of influence behind him. 'Whatever you can get away with' about sums up the moral code; and the only unforgivable sin is to get caught. I found out that nearly all of the cops were on somebody's payroll, that most of the shop keepers paid tribute to the racketeers and reckoned that 'protection' worthwhile, that you could not be a 'regular fellow' unless you drank hard and that business and 'politics' were in a steady grafting partnership. These are bad things to find out for a young man who is rather short on scruples to begin with."

Here is a list of the terms appearing in "Limey" and their meanings as judged by the context, given here as a revelation of the mode of thinking of those employed in violent racketeering:

Bull, or yellow belly—a policeman.
Stink—a story that gets a lot of newspaper prominence.
Fixing—arranging a case on behalf of a gangster or another.
Frame-up—a trumped up charge with suborned evidence to secure conviction.
Boneroo—a privileged person. If he gets into jail the influence follows him and he may there wear boneroo clothes and have a boneroo job and mix with the boneroo bunch. A "fish" uniform is worn by the rank and file of prisoners in such a jail.
Spicks—Mexicans.
Bum or bindlestiff—a poor person without any outside influence.
Tax—protection collected by the gang chief.
Hit the bricks—to be turned loose.
Rap—charge.
Looked after—protected by somebody with political influence.
Speakeasy—an illegal vending place for liquor.
To "show up" a man—to hold up a man.
Honest Johns—decent citizens.
Gangsters — mercenaries harrying decent citizens of America or "those who belong to the gangs."
Spoil sport, wet blanket or tight wad—one who doesn't make whoopee.
Hopped up—under the influence of drugs.
"Light"—a man is light when he has a "shot" of morphine.
Lay off the broads—keep away from the girls.
Hot seat—electric chair.
On the spot—destined for slaughter without chance of get-away.
Tommy-gun—machine gun.
Yen—urge.
Double cross—double cross.
Fine artist—a confidence man.
Fence—a receiver of stolen goods.
Hijackers — men who steal booze wagons away from bootleggers by force or deceit and sell the liquor.
Mug—a victim of a confidence man.

James Spencer goes on to say that the city cop is in his experience, a grafter and a bully. "He is not a coward, but he likes to give Hades to fellows who cannot defend themselves and he goes easy with others who have money or influence."

* * *

Yellow Journalism Breeds Gangsters

MALCOLM W. BINGAY, editorial director of the Detroit Free Press, told the International Association of Police Chiefs of Chicago recently that the rise of the American gangster in the last 25 years had been due in no small degree to the growth of yellow journalism, introducing a sensational, irresponsible and scandal mongering element formerly missing. He admitted that editors had some basis for laying the blame for the growth of crime on the inefficiency, stupidity and even corruption of the police, on politicians, on the rapidly increasing number of lawyers who make large incomes by defending professional criminals, on the venality of judges and prosecutors, but he thought some introspection was needed as well.

He continued as follows:

"You police chiefs know what the average gangster is. I think police terminology designates him as a rat. He is not a clever criminal. He is of the lowest order of thugs, a sneak thief, a pander, cheap gambler or roustabout in his beginnings.

"But he is glorified by the yellow press until he takes on a glamor in the minds of the susceptible, the moronic and the thoughtless . . . .

"Behind this created worship of the murderer and the thief, the lionizing of the hoodlum, there is even a more sinister aspect of the circulation-mad yellows.

"In each community such newspapers create for headline purposes catching, attention-arresting names for the bands of marauders. In my home city of Detroit it is 'the purple gang.'

"Every police chief knows that these names are usually coined by the headline writers.

"In Detroit when some little merchant or manufacturer is visited by a shoestring sneak thief who demands tribute, he might throw him out on his ear or call the police and have him arrested. But if that same hoodlum snarls that he is a member of 'the purple gang' the victim trembles —and pays. He has read night after night of the terrible power of 'the purple gang.' The police know it is almost wholly fiction, but how can they combat it?

"I do not mean to say that these professional gangsters will not murder, torture, rob and commit any other crime on the calendar. There have always been wicked men and criminals and there probably always will be, but they never had an organized publicity department until the yellow press became firmly established.

"And what can the police do?

"To begin with, the police officer is human with all the frailties of mankind. A big story is breaking and the front pages are filled with it. He knows that if he tips off a reporter for one of the sensational newspapers to inside information he will be rewarded in display type. He knows the power of this kind of paper in politics and he is out for promotion and pay.

"Above this man, all too often, is a police commissioner who owes his appointment to politics. The yellow press will always trade political support for exclusive news of a sensational nature.

"The prosecuting attorney must run for office. He enters into an unholy alliance, sometimes secretly, often openly, with this type of sensational newspaper . . . .

"And so it is that I say the unholy alliance between the yellow press and the venal law-enforcing officers is the most corrupting and corroding phase of all the present crime problem that confronts America.

"Slowly decent journalism is having its reward. Slowly there is coming into the minds of advertisers and business leaders a realization that bulk circulation does not mean buying power. The type and character of the newspapers is being studied and analyzed before advertising is placed.

"And a steadily increasing education of the public is having its effect. People are learning to differentiate between the wholesome and constructive newspaper and the racketeering yellow.

"And therein lies the great hope for law and order in America."

Dominion Government Bonds

bought, sold and quoted

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TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

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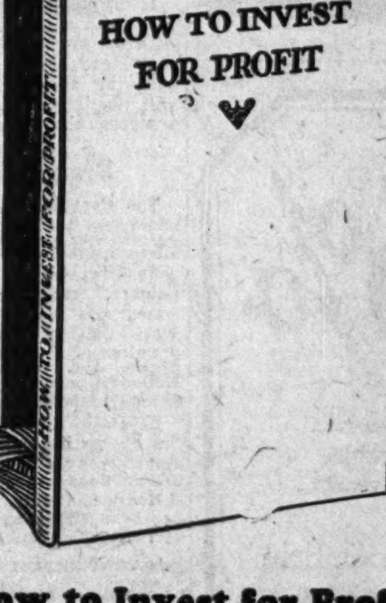
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Bank Chat on Current Topics

Service Charges

NO COMMERCIAL bank is run as a charitable institution and, as H. B. Henwood, general manager of the Bank of Toronto, pointed out before the Royal Commission on Banking and Currency, each service supplied by the bank should pay its own way. "A fairly active account is frequently operated with balances so small that they contribute nothing to the expense of carrying them, which necessitates a small charge for carrying the account. It is unfair to expect the banks to render such service at a loss." Properly explained by the members of the bank's staff, the majority of small depositors are willing to pay these charges; without proper explanation these charges are bound to become a source of irritation.

* * *

Data on Deposits Would be Valuable

A LARGE proportion of the banks' deposit accounts consist of accounts in which the average balance is under $100. The Canadian banks have not made public any figures relating to their deposit business although the Canadian Bank of Commerce has given out some of its own figures. Were Canadian banks to issue a joint statement at the intervals of six months or a year, showing the number of depositors maintaining deposit accounts in various size classes such as under $100, $100 to under $500; $500 to under $1,000, etc., these figures would serve, not only as an excellent argument for service charges on active small accounts, but as a valuable indicator of Canadian economic conditions. It is true that the total of savings deposits does not represent truly the purchasing power of depositors since large amounts may be deposited by corporations or foreign depositors while part of the remainder is a reserve fund that many depositors will maintain through good times and bad. Knowledge of this reserve fund, however, might increase confidence in Canada and even serve to stimulate industry at a time such as the present. The trend of savings, indicated by periodic statements giving more detail than is now given monthly in the bank statement, would prove of such value to many industries that it is not improbable that bank earnings would be affected beneficially.

The Canadian Bank of Commerce indicated that at May 31, 1933, it had approximately 1,100,000 deposit accounts which totalled $426,000,000. The average for all accounts was under $400 while the average savings account was $327. Of the total number of accounts, 850,000 were under $500; 112,000 acounts were between $500 and $5,000 and only 5,500 accounts exceeded $5,000. On the basis of these figures over 77 per cent of depositors had accounts of less than $500 and since the average for all depositors was $400 it is evident that by far the greatest percentage of deposits were well under this figure.

* * *

U. S. Figures Significant

A RECENT survey of deposits of mutual savings banks in the U. S., published in the Savings Bank Journal, shows that 49.1 per cent of deposit accounts were under $100 in size and that the average in this class was $21. Practically half of all depositors accounted for only 1.4 per cent of total deposits. In accounts ranging from $100 to $500 in size, 20.5 per cent of total depositors had an average balance of $254 and total deposits in this class amounted to only 7.2 per cent of the aggregate deposits. Only 9.4 per cent of accounts ranged from $500 to $1000 and in this class the average was $765. In accounts of over $1,000 the average balance was $2,889. In this class there were only 21 per cent of depositors who held 81.8 per cent of total deposits. These ratios were obtained from the figures of 17 representative banks the number of whose deposit accounts and volume of deposits was approximately 7½ per cent of the 12,997,000 savings bank depositors and $9,972,700,000 of savings bank deposits in the United States at January 1, 1933. The average savings account had a balance of $751.

It is self-evident that no bank can make a profit on any account with an average balance of $21 if that account is subject to any chequing activity and that a loss will result on that account unless a service charge is made.

Branch Changes

The Canadian Bank of Commerce announces the following changes in operation of branches. These changes all took effect on September 30.

Business of the Grain Exchange, Calgary, branch has been amalgamated with that of the Eighth Ave., West, Calgary, branch in the new premises of the latter branch at 309 Eighth Ave. West, Calgary. J. H. McDowell, manager of the Grain Exchange branch, will be manager.

Bayview & Millwood, Toronto, branch has been closed and business transferred to Mount Pleasant and Manor Road branch.

Henry and Main, Winnipeg, branch has been closed and business transferred to Main and Alexander branch.

Weekly Bank Clearings

	Sept. 28 1933 $	Change year ago %	Sept. 21 1933 $
Halifax	1,824,741	+12.7	1,985,533
Saint John	1,407,634	—8.0	1,464,648
Moncton	673,731	—5.2	683,832
Sherbrooke	530,737	+4.7	534,281
Quebec	3,302,275	—5.0	3,734,146
Montreal	79,748,966	+15.8	89,667,521
Ottawa	3,284,812	—3.9	4,075,593
Kingston	531,289	+0.9	595,551
Peterborough	503,656	+2.3	622,655
Toronto	96,897,143	+22.7	101,678,097
Hamilton	3,283,307	+9.2	4,091,739
Kitchener	830,814	+23.5	908,774
Brantford	638,515	+8.1	730,990
London	1,808,580	—18.5	2,515,627
Chatham	400,353	+15.6	373,383
Windsor	1,812,391	—17.8	2,673,434
Sarnia	362,852	+28.3	355,843
Sudbury	584,124	+33.2	531,599
Fort William	463,048	—0.2	543,648
Winnipeg	72,693,496	+72.7	73,561,428
Brandon	312,238	—5.2	334,816
Regina	3,908,942	—9.5	5,859,726
Moose Jaw	520,086	—2.6	592,238
Saskatoon	1,123,837	—26.9	1,292,514
Pr. Albert	319,444	+34.7	242,265
Edmonton	2,860,799	—7.6	3,360,783
Calgary	6,583,536	+40.1	6,104,324
Medicine Hat	199,426	+5.1	257,551
Lethbridge	355,616	+6.5	422,024
N. W'minster	593,055	+30.4	414,593
Vancouver	13,620,744	+23.4	13,125,470
Victoria	1,212,580	+5.9	1,298,174

Current Events in Banking World

Macmillan, Addis, Depart Work of Commission Done

Rumor Indicates Royal Commission Split on Advisability of Central Bank; Findings May Be Available Soon; Summary of Bankers' Evidence at Ottawa

With Lord Macmillan and Sir Charles Addis on the way home to England after two months of intensive study of Canadian Banking and economic conditions, work of the Royal Commission on Banking and Currency has been practically completed and reports indicate that at least a summary of the commission's findings may be made public within the next two weeks. There is no indication as to what these findings will be except the report that the commission was not unanimous in favoring a central bank. The final report, which is expected to contain extensive appendices, may not appear until a later date.

Feeling has been, in Ottawa and in financial circles, that the commission report would favor a central bank for Canada. J. A. McLeod, president of the Canadian Bankers' Association, presented the banks' views on the desirability of a central bank for Canada at the final hearings in Ottawa. He believed that a further refinement of the presently existing system might prove more advantageous to Canada than would a central bank and reports would indicate that two of the commissioners, Sir Thomas White and Beaudry Leman, share his views.

Points Are Summarized

Résumé of evidence presented before the Royal Commission is continued in this issue of The Financial Post with the final evidence presented in Toronto followed by the evidence presented by leading Canadian bankers at Ottawa. For the convenience of the banks, the various points brought forward at hearings throughout Canada were summarized by the commission and is presented elsewhere on this page. The evidence presented by the bankers closely follows this outline.

On the last day in Toronto, Professor Parkinson, University of Toronto, presented a brief which dealt with monetary policy, the proposal for the establishment of a central bank in Canada, and banking and investment policy and proposals for stabilizing the rate of investment. He dealt with the desirability of establishing a central bank in Canada but did not feel that the problems underlying our monetary control could be solved adequately by monetary control alone. He suggested that the problems of industrial fluctuations and price fluctuations should be attacked immediately. He stated that it is rare for commercial banks in any country to initiate the policy of interest rate control and that Canadian banks had followed a non-committal policy of stable charges. There has been no agency in Canada willing to take a lead in changing interest rates and certainly no authority capable of enforcing it as the older central banks do. While borrowers get the benefit of the fixed rate in prosperous times, the high rate of interest in times of depression discourages new enterprises requiring to borrow short or long term capital?

A central bank in Canada, endowed with adequate powers and properly directed, could have avoided some of the worst effects of the deflationary period which began toward the end of 1930. It might have given a more stable foreign exchange position and at the same time as it mitigated the severity of the decline in commodity prices through effective foreign rate control, it might have given the banks all the cash and liquid assets which their banking consciences could envisage without further aggravating the deflation and finally it might have attempted to stimulate revival through a policy of lower interest rates.

Have Wide Powers

Mr. Parkinson held that among the essential requisites for effectual central banking control in Canada, the central bank should discharge all those functions, possess all the privileges, with which the controller of the currency is endowed and which the Treasury Board possesses under the Finance Act. It should have sole control over the Dominion note issue and over the gold reserves held against it and it should possess the right to rediscount the eligible paper of the chartered banks. The executives of the central bank should be independent of both governmental and business interests. The chartered banks might be left with their present right to issue notes but reserves would be deposited with a central bank. It is suggested that the legal reserve minimum should be not more than 30 per cent of the Dominion note issue or if a fixed reserve be decided upon not more than $60,000,000. Foreign balances and liquid investments in London and New York would be regarded as equivalent to legal reserves up to an amount of possibly one half of the total reserve held against the note issue.

Would Control Investments

The purpose of monetary control should be to stabilize the rate of economic development in Canada, to provide for the most effective use of all national resources and so far as possible to free the economy from those cyclical fluctuations in employment, wages, farm incomes and profits, which are mostly manifestations of an unstable economy and the causes of further instability. In order to attain this objective it would be necessary to adopt a set of controls over the direction taken by new working capital provided by the banks and new long term capital administered by investment houses. Professor Parkinson suggested a Commission of National Investments with power to institute a system of national control over investments in order to supplement the policies of a central bank. This Commission would attempt to stabilize the rate of capital investment by exercising powers of restraint in times of rapid expansion and by a policy of active interference at periods when a revival of capital investments is essential to economic revival. The Commission would co-operate with the central bank and other agencies in the collection and publication of complete information relating to all investment transactions in Canada. It would give active assistance to existing public authorities and if necessary establish new agencies where they are called for to promote those capital enterprises which, while socially desirable, are now either neglected almost entirely or have been too long postponed because of the state of public finances. The Commission could assume the task of advising governments as to the most effective placement of new loans and could exercise a strict supervision and control over the new foreign borrowing of public and private authority. It might formulate and assist plans for the rationalization of the financing of municipal and provincial borrowings and it might also take a hand in the extension and co-ordination of the present not too adequate machinery for the financing of agriculture for intermediate and longer periods.

Hon. Chas. McCrea, Minister of Mines, stated that from 1913 to 1922 Ontario had produced $103,500,000 of gold and, from 1923 and 1932 inclusive, production was $333,000,000. The 1933 production with premiums will amount to some $62,000,000.

Wants Socialization

Graham Spry filed a brief on behalf of the League for Social Reconstruction which expressed the belief that, in the near future, the operation of the financial, productive and distributive agencies of the community will prove to be most efficient, and therefore more desirable when co-ordinated under a national economic plan." Such a plan should be based on the democratic principle of the welfare, in equal measure, of all members of society rather than the interest of any special groups or classes in society. Revolution of such an economic order would necessitate not only a central bank in Canada but a complete social control of the machinery of finance and investments through a National Investment Board working in conjunction with a National Planning Commission.

Among the objectives of a socially planned financial policy would be the mobilization of savings and the supplying of long term capital, the federal control of investments under a board of control which would license new capital issues, control the stock exchanges, establish a real bond exchange and remove abuses from the present system of private bond trading. Other internal objectives would be the maintenance of a reasonably stable price level.

Interlocking Directorates

S. H. Henry, representing the Ontario Secondary School Teachers' Association, stated that educational facilities in the province had to be curtailed in certain cases because banks refused to advance loans. The Commission was asked to consider the question of how credit may be extended to education authorities in municipalities.

James Connor, secretary of the Labor party, presented evidence to show the extent to which bank directors held directorships in other financial and industrial companies. The 157 directors of nine Canadian banks held 120 directorships in trust and loan companies and 98 directorships in insurance companies. The 157 directors held a total of 2,152 directorships in Canadian financial and industrial companies. Lord Macmillan pointed out that it was desirable that a bank director should be a man of affairs who knows business and has had ample business experience. It was also pointed out that the present Bank Act states that the banks shall not either directly or indirectly lend money or make advances in excess of 10 per cent of its paid-up capital to a director of the bank or to any company or corporation in which the president, general manager, or a director of the bank is a partner or a shareholder without the approval of two thirds of the directors present at a regular meeting. Lord Macmillan expressed surprise that there was no provision in the act that a director should not take part in any vote of the board relating to a matter in which he is personally interested. This prohibition has become practically a stereotyped provision in company law. Commissioner Leman said that the point was covered by the by-laws of the individual banks.

Ottawa Sessions Begin

At the concluding Ottawa sessions J. A. McLeod, general manager of the Bank of Nova Scotia and president of the Canadian Bankers' Association, referred to the arduous duties that the commissioners had undertaken and spoke in appreciation of the way in which public hearings had been held. It was one of the tragedies of the depression that it had fallen with quite unequal force upon different classes of the people with primary producers bearing the brunt. The relatively rapid rise in the prices of farm products in recent months was one of the most encouraging features of the present situation and he expressed the hope that this improvement in the farmers' position will persist.

No Responsibility for Credit Control

M. W. Wilson, vice-president and general manager of the Royal Bank, outlined the extent of the existing control by the bank of the expansion and restriction of credit in Canada and the means available for exercising such control, their efficacy and the extent to which they are utilized. He stated that there exists no properly constituted body which can admit responsibility for the control of credit in Canada but that due to an exchange of ideas between the banks it would usually be found the policy of one bank is the policy of all the banks. Any tendency on the part of cash reserves to fall below the percentages regarded as suitable results in automatic restrictive measures being applied while, on the other hand, an undue accumulation of cash reserves exerts an automatic influence in the opposite direction in the form of an increase in the portfolio of government bonds if good loaning business is not available.

Has No Money Market

If a central bank were established in Canada, what means would it have at its disposal for controlling fluctuations in Canadian credit and how complete a control could it exercise? The absence of a money market in Canada is an important feature. In normal times the Bank of England has well nigh perfect control which can be exercised with precision and sureness, (1) because of the conventions that have grown up in the London money market, (2) because London is a creditor on a large scale by reason of long-term investments abroad in the past and (3) because London is at all times a depository of short-term funds from abroad which it is possible within limits to decrease or increase at will. Both in London and New York there are active dealings in treasury bills and these form in both centres one of the most important classes of marketable short-term obligations. Canada has no bill market and no market for bankers' acceptances. There is no continuous supply of Canadian treasury bills and there are. therefore, no facilities in Canada for open market operations, either in the case of short-term, self-liquidating commercial obligations or in the case of short-term government obligations. Because of this, Canadian banks have generally followed the practice of maintaining in New York not only the reserves on behalf of some of their branches abroad but also a part of their immediate reserves against demand obligations in Canada. These are either invested in acceptances or loans at sharp call.

U. S. Relations Important

The intimate and continuous business relationships between Canada and the United States is a factor which can never be left out of account in any study of the Canadian financial situation. A Canadian central bank attempting to control domestic fluctuations of credit would be restricted in its choice of methods which might normally be four in number as follows: (1) The exercise in public and in private of its moral authority. (2) The purchase and sale of bonds in open markets in Canada. (3) The purchase and sale of foreign exchange, assuming that a gold standard is restored and exchange operations take place only with other gold standard countries. (4) The raising or lowering of the rate charged on advances to the commercial banks or the actual rationing of credit to the banks. These methods would ordinarily be used in combination.

The results to be gained by moral suasion depend upon the good judgment and prestige of the directors of the bank and it is important that the directors be composed of men of highest calibre with long and intimate experience in dealing with financial problems and a close contact with Canadian conditions. However strong the personnel of the directorate, its prestige must inevitably be the product of slow growth. Moral force of advice on the part of a central bank would, in all probability, be weakest in the first few years of its existence, which would also be the crucial years.

Moral Suasion Not Sufficient

Moral suasion must be backed if necessary with action. An open market's policy would be, the purchase and sale of bonds in the open market would be very simple and the central bank could increase or diminish at will the cash resources of the commercial banks, but before this procedure could be applied with confidence, competent and intricate technique would need to be learned on the basis of experience. An open market policy designed to produce conditions of "easy" money in Canada might well, by leading to heavy importations of bonds from the United States, cause a pressure on the foreign exchange market, an outward drain of gold (assuming a restoration of the gold standard) and a consequent diminution of the credit base in Canada.

Operations in foreign exchange would have an equal or even more immediate effect than the purchase and sale of securities in the open market and would present no problems not paralleled in other markets. Such open market operations as a central bank in Canada could successfully conduct, would be designed to reinforce the central bank in its use of the bank rate. The central bank would be the source of advances to the commercial banks and the bank rate is the means by which such advances would be regulated. The extent to which borrowings would be affected by changes in the rate is extremely difficult to estimate. Published announcement by a central bank of a change in the rate charged upon advances would be tantamount to an expression of opinion by the central bank, to the business community, as to the needs of a given situation. To an extent depending upon the prestige of the central bank such an announcement would be not unlikely to produce a change in the demand of the public for credit in the direction desired by the central bank.

Mr. Wilson believed that in the light of these four groups of consideration the mechanism at the disposal of a central bank in Canada would necessarily be somewhat crude. It would be visionary to hope that the directorate of the central bank, no matter how strong and wise it might be, would find itself able to enforce its will merely by means of open market operations and discount rate.

Bank Influence on Exchange

Jackson Dodds, joint general manager of the Bank of Montreal, dealt with the influence exerted by bank policy on fluctuations in exchange rates. He stated that movements of funds by the Canadian banks in and out of Canada have served conspicuously to protect the balance of international payments. From 1926 to the end of 1932, the Canadian banks had

(Continued on page 18)

Obituary

John R. Wainwright, for 40 years with the old Molsons' Bank, died recently in Oakville, aged 66 years. Mr. Wainwright entered the service of the bank in 1884 at Sorel, Que., and managed branches in Norwich, Owen Sound, Woodstock, London and Hamilton, Ont.

Foreign Exchange

AFTER an early recovery, the American dollar again suffered sinking spells in the week ended Oct. 2. As a result the pound sterling and Canadian dollar again approached parity against New York funds. In terms of gold francs all three currencies weakened. Thus, the situation in which an additional strain was placed on the franc a week previously was re-created.

Stabilization in terms of sterling and inflation are rumored of the American dollar on successive days. This is characteristic of the seeming lack of a money policy in Washington. But fear of inflation persists as exchange quotations indicate. The present uncertainty is believed to be the lull before the storm of various inflationary measures in the United States. Depreciation of the dollar no longer serves to raise all American prices, and various unusual credit policies are apparently to be invoked to accomplish it.

* * *

A NOTEWORTHY feature of the situation of the Canadian dollar is international security dealing. Both London and New York are buyers in this market, bond men inform The Financial Post. This means added strength for Canadian dollar against the pound and American dollar. It amounts to a flight to the Canadian dollar in the case of American investors, and the British funds are naturally attracted by higher interest rates in Canada than in London.

FOREIGN EXCHANGE

New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
Sept. 26	2 3-8	2 1-4	10 7-8	10 3-8
Sept. 27	3	2 3-8	10 3-4	10 9-16
Sept. 28	3 1-4	2 3-4	10 1-2	10 5-16
Sept. 29	2 3-8	2 1-16	10 1-4	10
Sept. 30	2 1-8	2	10 1-2	10 1-4
Oct. 2	2	1 25-32	10 5-16	10 1-8

STERLING, FRANCS AND LIRE

Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Sept. 26	4.72 1-2	.0598	.0804
Sept. 27	4.72 1-2	.0592	.0796
Sept. 28	4.71 1-2	.0591 1-2	.0794
Sept. 29	4.73 3-4	.0596	.0801 1-2
Sept. 30	4.76 1-4	.0601	.0811
Oct. 2	4.79	.0608	.0815 1-2

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Sept. 26	4.85	0.0609	0.0820
Sept. 27	4.86	0.0610	0.0818
Sept. 28	4.85 1-2	0.0611	0.0819
Sept. 29	4.85	0.0613	0.0825
Sept. 30	4.86 1-2	0.0615	0.0825
Oct. 2	4.87 1-4	0.0620	0.0829

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
Sept. 26	0.3716	0.2175	0.2897
Sept. 27	0.3724	0.2170	0.2911
Sept. 28	0.3730	0.2165	0.2901
Sept. 29	0.3735	0.2184	0.2883
Sept. 30	0.3753	0.2192	0.2915
Oct. 2	0.3767	0.2211	0.2929

"Outline of Criticism" Presented to Bankers

Returning to Ottawa for final sessions the Royal Commission heard the case presented by the chartered banks. For the assistance of the banks the commission had formulated an outline of the main topics of discussion which had arisen in the course of hearings across Canada. This outline is as follows:

Memorandum of some points to be discussed with representatives of the Canadian Bankers Association at meetings in Ottawa. The following are among the points which were presented to the Royal Commission for their consideration and on which the Canadian banks were asked to comment:

"A"—Matters of General Policy

1. The extent of the existing control by the banks of the expansion and restriction of credit in Canada—the means available for exercising such control efficiently and the extent to which they are utilized.

2. Influence exerted by banking policies on (a) fluctuations on exchange, (b) price levels.

3. The responsibilities of the banks in view of the departure from the gold standard and in view of the Canadian policy of returning to it.

4. The participation by Canada in international banking negotiations and the expression of Canadian policy.

5. The operation of the Finance Act—the powers of the Treasury Board—the propriety of its continuance—the effect of its exercise on the control of the currency and credit.

6. The banks' note issue—extent to which it is profitable, the effects of its discontinuance in whole or in part.

7. The advantage of the concentration of the banks' reserves.

8. The special constitutional position under the British North America Act and the possibility of the absence of co-ordination in national financial policy.

"B"—Special Matters

1. The rate of interest chargeable by the banks—Section 99 (1). (a) The desirability of continuing the present statutory maximum of 7 per cent or any statutory maximum — the tendency of a statutory maximum to render the rate rigid. (b) The meaning of the existing provision and its alleged division. (c) The relation of the deposit interest rate to the loan rate. (d) The divergence between the rates charged to the banks under the Finance Act and the rates charged to the banks on provincial and municipal loans. (e) Rate charged on loans to municipalities in anticipation of tax collections.

2. Loans to farmers. (a) Inelasticity of rate of interest charged. (b) Discrepancy between the period of currency of loans and period of farming operations which the loans are intended to finance, with consequent necessity of renewal — incidental compounding of interest. (c) Effect of debt adjustment and similar legislation on credit facilities.

3. The position of intermediate credit facilities particularly to meet requirements of farmers. The desirability of establishing special institutions for this purpose.

4. Alleged subordination of eastern and western central interests.

4-A. The volumes of loans and deposits in the various provinces, extent to which such comparison affords fair criterion—desirability of making such figures public.

5. Directors. How far representative of different interests—geographical distribution—desirability of instituting district boards—loans to companies in which they are interested—the desirability of directors abstaining from voting on loans in which they have an interest.

6. Banks and investment business.

"C"—Points of Detail

1. Charges by banks for operating accounts and collecting cheques alleged non-observance of Section 91 (4).

2. Section 88 suggested extension to advances on silver fox pelts and for fertilizers.

3. Alleged non-observance of Section 75 (3) no agent or manager to act as agent for insurance companies.

4. Registration of notice of assignment of particular debts as well as book debts generally.

"D"—General

The extent to which a central reserve bank would be of value in dealing with any of the foregoing matters.

Monthly Bank Clearings

	Sept., 1933	Sept., 1932
Halifax	$ 8,406,360	$ 8,642,809
Saint John	6,207,897	7,158,795
Moncton	2,721,660	2,622,991
Sherbrooke	2,323,785	2,204,616
Quebec	....	16,394,929
Montreal	354,522,770	326,636,960
Ottawa	15,610,713	16,825,546
Kingston	....	2,416,039
Peterborough	2,457,241	2,468,145
Toronto	394,738,474	344,558,927
Hamilton	15,223,173	15,178,951
Kitchener	3,604,177	3,802,921
Brantford	2,974,256	2,869,967
London	9,404,189	10,041,760
Chatham	1,612,899	1,545,938
Windsor	8,844,677	9,134,258
Sarnia	1,596,,286	1,536,877
Sudbury	2,355,899	1,913,912
Fort William	2,157,704	2,463,019
Winnipeg	242,466,963	182,154,352
Brandon	1,358,384	1,537,077
Regina	19,336,443	18,285,484
Moose Jaw	2,232,485	2,446,778
Saskatoon	5,096,273	6,445,965
Prince Albert	1,119,660	1,061,576
Edmonton	13,736,096	15,472,391
Calgary	25,022,298	21,177,327
Medicine Hat	976,444	828,713
Lethbridge	1,657,521	1,594,394
N. Westminster	1,819,974	1,892,707
Vancouver	58,683,456	49,404,292
Victoria	6,113,321	5,701,238

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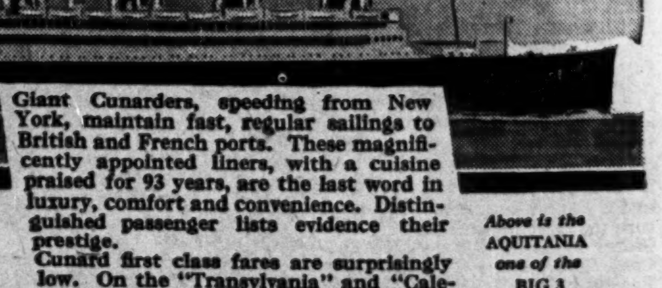

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SECOND SECTION

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PIGS AND COWS FIRST ON LIST IN U.K. SCHEMES

Britain Seeks to Revive Home Production of Food Products

CONTROL OF IMPORTS

Canada Can Sell to Britain, But New Marketing Acts Force Review of Methods

By J. K. ROSS-DUGGAN
Editor, Canadian Trade Abroad

Great nations, like big personalities, are not too proud to learn from smaller ones. Great Britain has largely based her new agricultural policy on the methods and experience of New Zealand, Australia and Denmark.

This policy is laid down in the British Agricultural Acts of 1931 and 1933 and expressed in detail in the Pigs Marketing Scheme 1933 and the Milk Marketing Scheme 1933.

The purpose of the Agricultural Act of 1931 was to increase the sale of home-grown foodstuffs in Britain through national marketing schemes, resulting in increased production and better returns for British farmers.

The essential principle was that each scheme should completely control its particular industry even to the extent of buying, selling and price-fixing.

Power to Control Imports

Next came the British Agricultural Marketing Act of 1933 drastically widening the scope of the previous act by authorizing powers for the regulation and restriction of agricultural imports. This may ultimately apply to Canadian, New Zealand or any other Dominion products.

The marketing schemes were also extended to provide for the control of secondary agricultural industries, such as, butter, cheese, powdered milk, ice cream, bacon, sausages, gelatine, etc.

The 1931 act was the farmer's baby, but the 1933 act gave it teeth.

Provides New Farm Policy

Great Britain's new agricultural policy is of prime interest and dominant importance to Canadian producers.

Fundamentally, Great Britain is not averse to importing foodstuffs from overseas countries, if they reciprocate by taking her manufactured goods. But this co-operation has been lacking. Denmark sold butter and bacon to Britain to buy German steel. The Argentine sold meat to Britain to buy American automobiles and radios. France put her cash in her stocking.

Moreover, Great Britain got a real fright when she was forced off the gold standard. Hence, the new self-contained policy. While primarily directed against foreign countries, its effects should not be overlooked in relation to the food exports of the Dominions.

A careful examination of the principles and methods of the marketing schemes may contribute something toward the development of a Dominion marketing policy both for home and abroad.

Outline of Plan

In its broad outline the 1933 act provides for setting up a Market Supply Committee of a chairman and four other persons to review and report on the supply of agricultural products in Great Britain.

The procedure for setting up marketing schemes is very clearly outlined. The producers in any industry may submit a tentative scheme to the Minister of Agriculture. After full notice has been given to all interested parties to make their representations, the scheme is fully considered at a special public enquiry.

As amended, a draft of the scheme is brought up in the House of Commons for discussion and decision. There is provision for the registration of all producers concerned in the scheme. This is followed by a poll to decide whether the scheme shall remain in force.

If the poll shows that two thirds of the registered producers are in favor of the scheme and, provided that they produce not less than two thirds of the products, then the scheme becomes operative within 30 days.

May Control Prices

As is the case in New Zealand, the schemes are operated by boards consisting of a minority number of members appointed by the Minister of Agriculture, and a majority number of regional members elected by producers. Each marketing board has wide and arbitrary powers. No producer may sell his merchandise unless he is a registered member. The board has general powers whereby prices are fixed and distribution controlled.

The board may make a levy for expenses, buy products for its own account, process these products into secondary products, sell, grade, pack, store, insure, advertise and transport products.

The board may build plants. It may sell equipment and supplies. It has power to impose penalties for infringements of the scheme. Market research is also the responsibility of the board.

Watchdog for Consumer

Consumer interests are taken care of by a consumers' committee appointed under the act, which watches the effect of the schemes on the public. Complaints received, whether from the consumers' committee or any other source, are referred to a special "committee of investigation," which reports direct to the minister, who can take remedial action.

Pigs Came First

The Pigs Marketing Scheme was the first to be set up, being approved by the House of Commons in June, 1933.

The result of the poll on the question of the adoption of the Pigs Marketing Scheme showed extraordinary unanimity, if not enthusiasm, on the part of pig breeders and feeders and an undoubted majority of favorable opinion on the part of bacon curers. About 99 per cent of pig breeders and feeders voted in favor of the scheme and 69 per cent of bacon curers who controlled 92 per cent of the factory output of bacon.

The Pigs Marketing Scheme is greeted as a Pig Revival Movement. Emphasis is being laid on the fact that Great Britain now produces only 15 per cent of her own bacon. Import figures of bacon have been mounting up in recent years. In 1913 the imports of bacon into United Kingdom totalled 4,858,000 cwt.; in 1929 the figure was 8,278,-

(Continued on page 14)

The Tide of Things

A Department of Independent Comment on Society and Politics

By WILLIAM HENRY MOORE

DORA and NRA

HUMAN memory has a short hold on public affairs. When strange public ventures are proposed we seldom turn the pages of history to find if other people have ever travelled along the same course, and what actually happened. And thus we are constantly going up blind lanes and back again.

But surely it is not to be forgotten that during the war, England, and most countries within the war-zone, organized industry after the manner proposed by Mr. Roosevelt. Nor did the codification of industry, under government direction, originate solely in the necessities of war-effort. Back in 1911, the British cotton industry undertook to set its house in order by means of an industrial council composed of an equal number of representatives of Capital and Labor. The work of the council was handicapped because its decisions lacked binding force. During the war the council was converted into the Cotton Control Board and the force of Government was put behind its decisions; and it was predicted that the business men, by similar organizations extending over the industrial gamut would "carry the nation onward to undreamed of prosperity."

* * *

MOST of the codes devised by the Rooseveltan administration for the conduct of American industry have been drafted upon codes fashioned a few years ago for the "stimulation" of English industry. The brain trust has not been very original in its economic effort; its most original contribution has been in the field of psychology. That had to be. There is a difference between an eagle and a lion. But even in nomenclature there is similarity. The United States has its Industrial Recovery Council; England had its industrial Reconstruction Council. The United States has its NRA, and England had its DORA.

NRA was generally well received, or perhaps, it is better said the reception was well organized. The big interests marched behind bands proclaiming their fidelity while actresses sang the praises of NRA from the stage. DORA was scarcely less popular, at first. The masses spoke of dear old DORA who exercised benevolent care over everybody, while big interests welcomed codification and the abolition of competition. They turned against the principle of "dog eat dog" when it appeared they might have to contribute a meal.

Then came evidence that DORA was not what she ought to be. Fault finding began. Not mainly with arbitrary action. One expects arbitrary action from government control. No sooner had industry come under government control than evidence of waste, extravagance and incompetence began to appear. When the evidence had accumulated to an extent that even socialists were shocked. DORA was recognized as a blundering bureaucracy.

* * *

THE closing days of the war found Englishmen discussing ways and means of freeing themselves and industry from State intervention. The illusions of nomenclature had been swept away. Speaking to the Saleshead Branch of the Independent Labor Party, Dr. Hugh Bell said:

> "When you get to the very source of government action, you find it is a clerk in Whitehall, who is no more competent than yourself to form a judgment . . . . Our affairs do interest us enormously and we take a great deal of trouble to deal with them intelligently while to him we are just the subject matter of a jacket which must be disposed of somehow before he goes to tea."

Were you to turn the pages of history in search of "government departments discontinued" you would obtain sparse results. The Englishmen tried very hard to rid themselves of government industrial intervention but never quite succeeded. Nor did they ever quite succeed in regaining the industrial prestige they had once held among the nations of the world. Where control had been tightest, and lasted longest, recovery was slowest. If you want evidence, I shall cite the present condition of the cotton industry of Lancashire. NRA may do better than DORA but a solid page of history is a better guide than a dozen brass bands.

History in Making as Tariff Board Sits in Judgment

Decisions Already Made May Prove Momentous in Shaping Fiscal Policy of the Dominion—Equally Important Problems Yet to be Solved by Commissioners

From Our Own Correspondent

OTTAWA.—Tariff making under the Anglo-Canadian trade treaty began at Ottawa last week.

After hearing general statements from Canadian and British manufacturers—statements which disclosed complete absence of agreement and the existence of acute controversy practically upon all points at issue—the Tariff Board inquiry into the woollen schedules has ceased, at least temporarily, to be public. With the Board rather in the role of umpire, the two industries now carry on their fight for the rich prize of the Canadian woollen market behind closed doors. This is inevitably so because both sides must now bare their costs of production.

Major Fiscal Development

Four days of public hearings, however, have served to clarify and simplify the hitherto nebulous outline of Canada's concessions to Britain under the Anglo-Canadian treaty. This treaty, under which the entire structure of our tariff is to be remodelled, now stands out clearly as a major development in Canadian fiscal history. It is probably just as important as the Macdonald National Policy of 1878 and the inauguration of the British Preference in the closing years of the last century.

The woollen case is of paramount importance not only by reason of the fact that the woollen market of Canada is at stake but because this is the first application to be made by the British Government under the treaty and, for a further reason, because the Tariff Board is working out the practice, the method which is to be followed in the future. The woollen case is but the first of scores of applications which will come from Britain. The whole of Canadian industry is concerned, vitally, with the methods followed, the decisions arrived at.

Four Major Decisions

Three decisions have been made which will stand as the fundamental basis of treaty tariff making. Other points of an importance to Canadian manufacturers impossible to exaggerate, remain to be decided. Not until they are decided will industry know precisely what the treaty holds for Canadian factories nor the terms upon which British competition must be faced.

Major decisions are:—

1. Refusal by the Tariff Board to allow representatives of the importers, or the general public, to give evidence or take an active part in the inquiry.

2. The confining of the woollen case to one point—the discovery of relative costs of production in Britain and Canada in keeping with Article 11 of the treaty.

3. The exclusion from the inquiry of such matters as special duties, arbitrary values, etc., and, in a broad sense, the existing tariff itself. The Board's job, as now defined, is not to consider what tariffs may now be in force but to find out, as a fact, the difference in costs of production.

Equally vital decisions which have still to be made concern:

1. What, precisely, is to be accepted as adequate proof of production costs?

2. Must the comparison be made at a given time in both countries or can statistics covering British operations in 1931 be compared with Canadian statistics covering 1933? Briefly, can the comparison be made on the basis of different years?

From the purely domestic viewpoint, the positive decisions are of obvious importance. But from the viewpoint of the Anglo-Canadian treaty and of Canadian industry at large, the decisions still to be made are of much greater importance.

What happened at Ottawa last week may best be summarized under the foregoing headings.

Importance of Decisions

The decision to bar importers, consumers and similar representatives from the proceedings is taken to mean that the general public of Canada will have no voice in treaty tariff making. There will be only two parties to these cases — the British and Canadian manufacturers. This decision is much more important than appears on the surface and while it will be controversial in the country, there are sound reasons why it could not be otherwise. Perhaps the most obvious reason is that the treaty tariff inquiries will turn, entirely, upon the relative costs of production.

These can only be arrived at by the production of highly confidential, invaluable information regarding British and Canadian factories. The information, if it obtained wide currency, might easily wreck either industry or both. In fact the British delegation made it quite plain to the Tariff Board that they would rather forego all chances of wider markets in Canada than take the slightest chance of allowing foreign woollen manufacturers to get hold of their cost figures.

The hearings now proceed in camera with both sets of manufacturers present, but both pledged to maintain scrupulous secrecy with respect to cost data. As both stand equally to lose, there is little reason to fear betrayal.

No Place For Outsiders

But to widen these sittings to include importers with intimate relations with manufacturers in foreign countries, to include representatives of the general public with nothing to lose—this would seem to be asking a great deal. To ask it, indeed, would forthwith wreck the treaty, as no British manufacturer would care to come forward with the necessary evidence.

But while this is true, there is the purely Canadian viewpoint to consider. Tariff inquiries are difficult, arduous tasks. The woollen case already has been in hand for three months and will not be completed for a long time to come. Once finished, the findings of the board almost certainly will be accepted by the government and enacted by Parliament. The findings, it is true, will not be based upon any considerations of purely domestic public interests. The general public will have had no hand in assembling the facts and will have had no opportunity to advance arguments.

No Second Chance

Nor is it practicable to suppose that there can be a second inquiry into the woollen tariff in the immediate future. Whatever emerges from the present inquiry will be the governing influence on the woollen tariff for the next four or five years.

It is a grave decision, therefore, to stifle one of the voices that always has and in one way or another always will play an essential part in tariff policy. But, on the other hand, it is difficult to see how it can be otherwise.

The gravity of this point becomes more apparent when the second decision is considered. The board has confined the woollen case to the discovery of comparative costs of production in the two countries. This seems to follow naturally from the language used in Article II of the treaty. It reads:

> "His Majesty's Government in Canada undertake that during the currency of this agreement the tariff shall be based on the principle that protective duties shall not exceed such a level as will give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production, provided that in the application of such principle special consideration shall be given to the case of industries not fully established."

This is the basis upon which the preferential tariff will rest. But it will, equally, affect the intermediate and general tariffs. Another article of the treaty declares that the existing spreads between the preferential and the higher tariffs must not be lessened. Therefore, once the preferential rate has been determined, the general structure of the tariff as a whole is unalterable.

Special Duties Out

The third decision has drawn criticism upon the Tariff Board. In dealing with the woollen application, the board will not take into consideration special duties, arbitrary valuations and so forth. Indeed, the board will have little or no regard for the existing tariff The reasons for this decision were clearly stated by G. H. Sedgewick, chairman of the board, and are not lightly to be ignored. Mr. Sedgewick's view is that under Article II the board has but one task—to discover the relative costs of production. When the board has made a finding in this regard, it is up to the Government to take action.

For example, suppose the present duty on a certain kind of woollen goods is 50 per cent, and that by reason of special tariffs an additional 50 per cent is added, or 100 per cent in all. Suppose that the Tariff Board finds as a fact that the difference in costs of economical and efficient production in the two countries is 35 per cent. It would follow that 35 per cent must be the tariff and that if the treaty is to be lived up to the rest of the protection must be withdrawn—whether it is in the form of special duties or otherwise.

Enforcement or adoption of the recommendations of the Tariff Board will be a matter for the Governments concerned. If Ottawa declines to apply the facts as found by the Board, the British Government will have a clear-cut grievance.

Difference in Statistics

The questions which remain to be answered arise out of the representations made to the Board at the public hearings. The British delegation has brought to Ottawa a mass of statistics relating to operations in 1931. H. B. Shackleton, head of the delegation, explained that in midsummer of 1931 the woollen industry sensed that important changes in British fiscal policy might soon take place. A survey of the industry was then made and returns were received from some 42 of the largest woollen factories. There are more than 1,000 factories in the United Kingdom so that in comparison with total numbers the statistics were somewhat thinly based. But these plants operate more than 11,000 spindles so that from the standpoint of production they represented a substantial part of the woollen industry.

A model system of calculating production costs was worked out and each industry was invited to fill it in. Each item was put down in pounds and pence. Afterward each one was worked out in percentage to the whole, and it was a report containing only the percentage figures that went to the central organization. In other words, all that the central organization in Britain received was a document setting out production costs in percentages. And no effort was made to check these percentages against actual operating results. The good faith of the factories making the returns was accepted without question.

These statistics originally were compiled for presentation to the British Government. They are now being used for presentation to the Canadian Tariff Board. Sample cloths are included with the figures, but these are not necessarily the kind of cloths which British woollen manufacturers find most saleable in Canada.

Canadian Viewpoint

Before mentioning points of difference between the British and Canadian figures, it may be said that the Canadian industry agreed, last July, to try and amass statistics on the British model. They could not go back to 1931 so they took 1933 as the basis of their figures. More than that, instead of assembling percentage figures, they took actual factory costs right off the ledgers of the various mills.

The Canadian Manufacturers may have been unwise to make the effort. They might better have faced the issue squarely last summer and declined to prepare figures on the British model. Be that as it may, they now contend that it is impossible to compare 1933 with 1931 and they contend, also, that since Canada is going to make the tariff the British should conform to Canadian cost methods and not vice versa. They contend, too, that the British model is unsuitable to Canadian conditions and that their considered view is that figures so compiled afford no reliable index of Canadian costs.

Further Controversy Probable

Thus the whole basis upon which the comparison is to be made has been directly and emphatically challenged. It will be up to the Tariff Board to make some important and arbitrary decisions and there is a real danger that the final outcome will not be agreement as to the fairness and accuracy of the comparison but renewed and embittered controversy.

Wide differences in costing practice were bared in the public hearings. The British set up no item for interest, either in the form of interest on borrowed money or in paying capitalization charges such as bond interest, and dividends. Capitalization is entirely ignored in the British set-up. They regard interest as profit. Their method of setting up depreciation, fixed charges of various sorts, is vastly dis-similar to that followed in Canada.

The British method boils down to this: you take a given quantity of raw material and you show the cost not only of its purchase but of converting it into the finished product. It is not known, even by the British delegation, whether their figures calculate raw material at original or replacement value.

Knotty Problem Ahead

Clearly the Tariff Board is confronted with knotty problems. If a decision is to be reached on the statistics now in hand an early report is possible. If not, a new set of difficulties arise. Is the Board to send accountants over to Britain and attempt to collate a new set of cost statistics? To do so would take many months and British firms might refuse to divulge the information.

One year of the Anglo-Canadian treaty is already gone. If another year or more is to pass in investigatory work there will remain only a brief period in which the treaty tariff will apply, because the treaty itself runs but five years. Yet to reach a decision now may well be to abandon all hope of agreement and, very possibly, to inject more controversy into inter-Imperial trade relations.

Ottawa Sees National Government As Only Remotest of Possibilities

Liberals Prefer to Take Chance on Winning Election—Railway Question Deemed Temporarily Disposed of

From Our Own Correspondent

OTTAWA—Although many business leaders appear to be advocating the formation of a National government there are no indications at Ottawa that steps are being taken to meet their wishes.

On the contrary, National government looks to be farther away right now than ever. Last January the drive for a political holiday and a beat-the-depression ministry showed promise of success. The politicians were distinctly worried about it. But today nobody on Parliament Hill takes the proposal seriously.

The rumors that are finding their way into print these days are to the effect that a National government may emerge under the leadership of a man not presently in Parliament. Both party leaders would have to step aside and allow a new leader to unify the Liberals and the Conservatives. The man most frequently mentioned is Hon. Charles A. Dunning, Liberal former minister of finance, and the runner up is Hon. G. Howard Ferguson, Conservative, High Commissioner at London.

Dunning and Politics

To those closely in touch with the Liberal party it would appear extremely improbable that Mr. Ferguson could rally a corporal's guard of Grits to join him in any venture of this kind. As for Mr. Dunning, it is conceded that he could attract a considerable measure of support but it is seriously doubted if he would try. Mr. Dunning, it is pointed out, has probably formed a fairly good opinion as to how the next Federal election will go. If the Liberal party is returned he would be assured high office, if he cares to re-enter political life. Moreover he is still a young man and would be in a preferred position for the succession to Mackenzie King. It would seem, therefore, that he has more to lose than to win by embarking upon the treacherous seas of National government. History tends to prove that nothing can be more dead than leaders of National governments when they are thrown out of office.

What Would be Issue

From Ottawa's standpoint there is a good deal of loose thinking going on with regard to a National government. National governments always come into existence to deal with an all-important issue or crisis. This issue or crisis, moreover, must be of a kind upon which there is no deep division of opinion as between the two parties. When National government seemed possible—last January —the railway question was still more or less open. While both political parties are committed to the principle of public ownership (the Conservatives created the National railway and the Liberals fostered it) here was an issue upon which the two parties might have found common ground. If railway competition menaced the solvency of Canada and this could be demonstrated to the country, then amalgamation by a National government would have been the obvious policy. Neither party would have cared to shoulder the responsibility for such a policy, and the fair thing to do would be to join forces.

Railway Problem

But this solution of the railway problem was indefinitely postponed by the action of the Bennett government in appointing a Royal Commission and in adopting the Duff report. This report is supposed to have offered a solution of the railway problem. Until it can be demonstrated that the Duff policy is a failure (the demonstration may not take long) very little headway with amalgamation is possible.

The political wizards at the Capital are strongly of the opinion that to attempt to put over a National government coup on the strength of the railway problem would be extremely foolish. After all, politics comes first with the politicians. An unpopular politician has no authority, no matter how sound his ideas.

With the railway issue out, Ottawa can discern no other public question which would furnish the materials out of which a National ministry could be built. There is the general financial question, the condition of trade and so forth. But this question is the one which divides Federal politicians into Conservatives and Liberals—high protectionists and revenue tariff advocates. Ottawa says you cannot fuse these viewpoints: you must let one side or the other dictate the policy of the country.

Liberals Foresee Victory

And in a general way, the National government trick becomes a harder one to take as time goes on. A National government in January 1932 or at the beginning of 1933 was by no means impossible. But a National government today, or early in 1934, is asking a very great sacrifice of the Liberal party which believes itself as sure of obtaining power as it believes that day will continue to follow night. The next general election may come next summer, which is the normal life of Parliament. The government can carry on until 1935, although to do so would be a confession of weakness. But, in any event, Liberals can see themselves back in office within two years at the outside and it will require a very potent dialectician to convince them that they should now divide the spoils with their ancient enemies.

There is another factor in the situation—the C.C.F. An argument sometimes heard, and frequently suggested in newspapers, is that a National government would remove the menace of the C.C.F.—render that robust political infant impotent and ineffective.

Making C.C.F. Important

Perhaps so, but Ottawa does not look at it in that way. The concensus of opinion here is that to form a National government to balk the C.C.F., would be a sure way to fasten a C.C.F. government upon Canada. The C.C.F., would at once fall heir to the radical elements of the Liberal party that would decline to join the National party, and it would automatically become the official opposition and, thus, the alternative government. Its tabernacle would be the haven of all those who disliked the new government. In a word, the C.C.F., as a national party would be made.

Bennett May Retire

This sum up of the Federal situation is written on the basis that Mr. Bennett and Mr. King are fixtures in their respective leaderships. With regard to Mackenzie King it would appear that nothing short of a political earthquake could dislodge him. But Mr. Bennett's case is somewhat different. It is true that the Prime Minister possesses today the loyalty of his supporters to an even greater extent than was the case three years ago. But there are many rumors at Ottawa to the effect that Mr. Bennett is considering retirement; that he might voluntarily surrender the leadership and spend his "Indian Summer" in England.

The possibility of Mr. Bennett's resignation is a disturbing one. The natural successor would be Hon. E. N. Rhodes, but Mr. Rhodes' health in the past year is believed definitely to forbid any increase in his responsibilities. It is said, and on good authority, that Mr. Rhodes would have to decline the premiership.

It is possible that Mr. Ferguson would be the next in line—which may account for the frequent mention of his name in recent weeks. In any event, Mr. Bennett has often talked of retiring in the past and although he is probably feeling the strain of office more acutely now than before, there is no good reason to expect a change in the next six months.

TOBACCO CROP MAY BENEFIT THROUGH NRA

Millions of Dollars May Accrue to Canadian Growers

SHORT HARVEST

Quality Poorer in Canada But Demand from Britain Increases — Market Opens Soon

Roosevelt's NRA may mean millions of dollars to Canadian tobacco growers this autumn if developments of the past few weeks are indicative of the probable trend of affairs in the growing and marketing of this valuable cash crop.

In brief, the situation is that Norfolk County farmers who now produce the bulk of Canada's commercial tobacco, have just harvested their 1933 crop. The season has been a very difficult one and in spite of an increase in flue-cured acreage of about 5 per cent, estimated yield has slumped almost 40 per cent to 17,000,000 lb., as against 27,000,000 lb. in 1932. The "market" for this tobacco has not yet opened so farmers are still in the dark as to what they will get for their year's work. Last year prices slumped 35 per cent to a record low price of 15½ cents a pound in spite of crop quality being the best ever harvested on a large scale in Canada. Average price in 1931 was 24 cents a pound and in 1930, 35 cents.

This is where NRA comes in.

United States Imports Heavy

For Canada still imports from the United States between 900,000 and 1,000,000 lb. of bright flue-cured tobacco every month and it is generally conceded that the price paid for this tobacco in the United States usually governs the prices which Canadian growers will receive. Only a short time ago the auction marts at which United States growers sell their tobacco, opened for sale of the 1933 crop. Opening prices were

(Continued on page 14)

Gossip from London

From a Special Correspondent

France and Gold

LONDON—The daily foreign exchange table in the Times is a mystifying document, but it reveals the state of the world today. So great are the changes in the different countries that no one who is not on the spot is up to date. A glance at the quotations in any exchange table will show the difficulties of the currency question from which even Mr. Norman, the governor of the Bank of England, dissociates himself.

Why is France clinging to the gold standard? Cast your mind bank to pre-war Germany and its war chest and you have the answer. France has 600 millions sterling of gold. The market quotes gold at 132 shillings per fine ounce today and the price is rising.

* * *

REMEMBERING this take a stroll down the Rue de la Paix, visit the Ritz and the luxury hotels in the Champs d' Elysées. Then motor southward to St. Tropez, Cannes, Nice, Monte Carlo and perhaps Juan. The vineyards of the old prosperity are bare of tourist traffic in proportion to other days. Shops are empty. Still France holds on to gold with a grim determination. Does it mean war?

The war lords, the armament masters, the kings of finance would like some of France's gold in return for munitions. The supply of tanks and aeroplanes continues to flow from the shops of England's great armament firms to Europe and Eastern countries.

Then there's Hitler. In him you have a new danger to the peace of Europe. He typifies the birth of a new and greater Germany, insolent and arrogant, but filled with intense patriotism and an intense desire to wipe out the past. Austria, under its new dictator, Dr. Dollfuss, Jugoslavia, Czechoslovakia, Roumania, Bulgaria, all central Europe, can they unite with Germany? Only by force of arms. And will Russia come in on the East? What would Poland say? There you have some of the difficult problems of today.

Italy has designs on a slice more of the shores of the Mediterranean. Yet France stands alone. She has no illusions. But she has gold, a large army, a strong frontier, a powerful air force and a big navy.

* * *

BUT can France hold on, can she keep on buying and hoarding unproductive gold? France has little unemployment today. The peasants produce their crops as of old, the shipyards of Toulon are busy. France is almost a self-contained nation. Each individual hoards but does not spend gold. Yet her silks, her luxuries, the shops and places so tempting to travellers and foreign millionaires cannot be supported without outside help. "You cannot live on your tail alone."

England looks sadly on. But would England go back to the gold standard if she could? The road of the trader is fraught with danger and difficulty. Tariffs, exchange, how closely they are interwoven the one with the other. An international currency is essential to the stability and trade relations of the world. That means gold.

* * *

The Disarmament Muddle

A PROMINENT figure in the discussions on disarmament is Anthony Eden, the Under Secretary of State for Foreign Affairs. He is a great traveller and spends all his holidays in the near or far East. Tall, with a good figure, a Guardee mustache, and well turned out, he does not look the politician. He spends his time dashing to and fro between Paris, Geneva and Downing Street and lunching with distinguished diplomats.

France demands:

(1) Agreement for the international supervision of armaments and armies in all countries.

(2) A period of "probation" of three or five years, during which all nations, instead of disarming would stay just as they are, in order to test the sincerity of Germany in the matter of remaining disarmed.

France has been working furiously to bring Britain in on her side against the rising anger of Germany. If she breaks away and all hope of agreement disappears a wild armaments race would begin throughout Europe.

* * *

BRITAIN, having disarmed more than any other country, has a smaller army than some Balkan States.

Here are some interesting figures:

Armies of Europe

	Active Army	Reserves (official & unofficial)	Airplanes
Britain	106,000	281,000	1,434
France	340,000	3,200,000	2,286
Germany	100,000	1,500,000	Civil only
Italy	247,000	443,000	2,500

Austria has 30,000 troops and thousands of auxiliaries. Poland has 283,000 men, Czecho-Slovakia 140,000, and Jugo-Slavia 191,000. Most Continental countries have further reserves not shown in this list.

Britain's Army, Pre-War and Now

	1914	1932
Regular army, Home	125,000	99,000
India	75,000	61,000
Overseas	33,000	29,000
Army Reserve	145,000	124,000
Militia	64,000	nil
Supply Reserve	nil	17,500
Territorial Army	272,000	136,000
	714,000	467,000

* * *

Indian Question in Brief

WE ARE getting on very well with the politicians on holiday. At Birmingham on October 5 and 6 the annual conference of the Conservative associations takes place. The four main subjects for discusion are:

Slum clearance.
Reform of the House of Lords.
Agriculture, and
The future of India.

India keeps in the forefront of the battle. In the Carlton Club, hangs a large map of India, for the enlightenment of those who know so little about it. There are whisperings, and plottings, but as the whole subject has been threshed out before there does not seem to be much more to be said. In spite of the die-hards, Mr. Baldwin intends to go on with the White Paper.

There are many thousand millions of British capital invested in railways, canals, state enterprises in India, and again many more millions in private commercial enterprises, such as cotton, tea, jute, coal, mines, power, etc.

In control of the 350 millions of people is an army of 70,000 British troops and 150,000 Indian troops, and a police force of 200,000, wholly Indian, except for 600 officers and 800 N.C.O's.

The White Paper proposes to hand over control of these safeguards to the 7,000,000 who have the vote, though it is intended to increase the franchise by another 30,000,000.

The Princes, who own about tw[illegible] fifths of India, are again[illegible] plan. There you have th[illegible] thing in a nutshell.

Canada's Immense Fire Loss Challenges Every Citizen

PROCLAMATION APPEALS FOR PREVENTION

Reasons and Suggestions to Cut Fire Loss Outlined

CANADA'S LOSS HIGH

$45,000,000 and 300 Lives is Annual Toll of Fire Demon in Dominion

During the week of October 8, citizens of Canada are being urged by royal proclamation to take cognizance of the appalling toll taken each year by fire in our national economy. While the average annual loss of insurable property by fire in Canada exceeds $45,000,000 and more than 300 persons annually lose their lives as a result of fire, the dollar amount must be doubled if the unproductive expenditures of fire protection and insurance are added.

An annual cost of $90,000,000 would be tremendous in itself if it were the irreducible minimum below which fire losses might not be reasonably expected to drop. But when it is realized that fire marshals and fire prevention officials throughout the country attribute at least three quarters of this loss directly to carelessness of individual citizens and when it is realized that due to this apathy on the part of citizens of Canada the per capita loss in this country is nearly 10 times greater than that experienced by five of the leading European countries, the pressing need for fire prevention in Canada becomes all too apparent.

Summary of Appeal

The appeal of the royal proclamation may well be heeded by every citizen in Canada. In part, the proclamation states:

"Reliable statistics show that at least 80 per cent of the fires which occur, originate either directly or indirectly through inexcusable ignorance and neglect and are, therefore, preventable. The exercise of reasonable prudence and proper carefulness on the part of responsible individuals would reduce the losses by fire in Canada to the comparatively insignificant proportion of losses in other countries.

"Economic and humanitarian considerations imperatively demand that human life and material resources in Canada be so far as possible conserved in order that the national prosperity may be maintained and that the general welfare of the people may be measurably increased.

"For these reasons, it is desirable that the attention of the public be directed to the extent of underlying causes of the preventable loss of life and property by fire and to the best and most practical means of their control and that a specific period of the year be set aside and properly designated for the dissemination of such information."

Duties Outlined

The proclamation continued with some recommendations to all Canadians that certain duties be carried out during the week as may be found most practicable. These duties are set forth as follows:

1. All dwellings and their surroundings be carefully inspected by their occupants and all conditions likely to cause or promote the spread of fires removed.
2. All public buildings, stores, warehouses and factories be inspected and cleaned of rubbish in order to reduce fire hazards and maintain health and safety.
3. All hotels, theatres, asylums, hospitals and other institutional buildings be inspected and provision made for all changes necessary to protect the occupants from danger in the event of fire.
4. Fire drills be held for the children in all schools, for the inmates of all institutions and for the employees in all large stores and factories in order that a greater degree of safety may be ensured by acquainting the occupants with the best and most expeditious mode of exit in time of danger.
5. Special instruction on the subject of fire prevention be given by the teachers and by municipal officials in the schools and that such appropriate literature as may be made available be distributed to the pupils.
6. Boy Scout leaders give instructions to the troops under their control as to the best means of co-operating with municipal fire departments in the prevention and extinguishment of fires and especially as to the desirability of qualifying for the Fireman's badge.
7. All legislation and regulations enacted or issued by Dominion, provincial or municipal authorities dealing with fire prevention, be given publicity by the municipal officials and that by public meetings or otherwise as may to them seem most fit, they endeavor to impress upon the citizens the national importance of safeguarding life and property from loss by fire.

Egypt Wants Apples

Seventy-five boxes of New Brunswick apples were shipped the other day from Saint John to Alexandria, Egypt, representing the first shipment of its kind to leave this province for the Egyptian market.

Need Closer Check On Cause of Fires To Eliminate Arson

Fire Marshal Feels That While Over 80 Per Cent of Fires Are Usually Credited to Carelessness a Considerable Proportion of These Are Deliberate

CO-OPERATION OF EVERY CITIZEN EXPECTED

Canada's Fire Loss is Greater Than That of Great Britain Although Population of the Latter is Four Times Greater and Wealth is Not Comparable—Comparison With Continental Results is Worse

By GEORGE F. LEWIS
Deputy Fire Marshal of Ontario

Someone has said that the devil may set the world on fire, but the framework is fireproof—if that is the case it looks as though he uses his minions to set fire to things that are not fireproof.

Accidents will happen as long as we have to deal with the human element, but—47,000 fires in Canada last year were not all the result of accidents—neither were all the 35,000 fires in dwellings accidental. What then is the reason for the wanton destruction of more than forty-two million dollars worth of our natural resources and created wealth by fire, in addition to the maiming and killing of hundreds of innocent persons every year, in a country with a population of only ten million?

It would appear that we are already sufficiently penalized by taxation and depression without adding this unnecessary burdensome fire tax. A few years ago underwriters considered dwelling risks as the cream of the insurance business. In the last ten years fires in dwellings have increased 122 per cent in Canada and the amount of loss has also doubled—notwithstanding which insurance rates have been decreased. The enormous increase in the number and amount of dwelling fires has necessitated consideration on the part of the underwriters as to what steps should be taken to stop this insidious waste.

Fire Loss Greater Than Britain

According to statistics, our annual fire losses exceed those of Great Britain, which has more than four times our population, infinitely greater burnable wealth—more congested conditions and high value areas. For instance Toronto the Good (and this refers to Fire Waste too) with an area similar to Glasgow and about half the population, has approximately three times as many fires as the Scottish city. If we cross the Channel, comparison with Continental conditions places us in a still more unfavorable light. The average annual fire loss in the principal European countries is thirty-three cents per capita. Last year the per capita fire loss in Canada was $4.06 and in Ontario it was $4.56 per capita. The total loss in Ontario was fifteen and a half million dollars caused by 15,862 fires.

The insured value of property in Canada was about eleven billion dollars on which the public paid an average rate of seventy-nine cents premium per hundred dollars. This coverage compares in amount with London, England, but the big city's fire loss amounted only to about ten per cent of the whole Dominion.

Control Human Element

It would appear from a study of continental fire reports and conditions that the proper control of the human element is all that is necessary to effectively reduce to a minimum the fire waste of the country. In other words, the enforcement of proper regulations, followed up by systematic inspections are the fundamentals in fire prevention, embodying at the same time the necessary emergency fire fighting equipment suitably installed on the premises, together with a well equipped municipal fire department and waterworks system. If, however, there is a weak or missing link in this chain the fire fiend is enabled to make serious inroads and cause enormous property damage.

Conditions in the old lands are different—people are more prudent more careful. A person having a fire is looked upon as a public offender, and may have to make restitution according to the existing liability laws. In some places those who have fires are considered guilty of arson until they can prove their innocence. Careless habits are thus not allowed to develop.

Gamblers With Life

Most of us are British or of British stock and one naturally asks why should the atmosphere and surroundings of a new country change our habits into reckless extravagance and gamblers with human life. Carelessness—criminal and indifferent—is the principal cause of our enormous fire waste, for experience and statistics show that fully eighty per cent of all fires are preventable. Purely accidental fires are few in number and are not the cause of the serious fire tax on the people. It is most unreasonable to ask honest, hard-working Canadians to supply the money to pay fire fiend losses and to keep on doing it year after year.

Selfish greed animates the acts of an incendiarist. He may not intend to commit murder, but he cares not nor yet thinks of the possibility of sacrificing human lives, or the horrors of conflagration, in committing his dastardly act. This desperate criminal cannot control the ravages of fire once he has touched the match.

Fire prevention ordinances and personal activities in this patriotic work date back to the time of Moses. It has been demonstrated time and again that fires can be prevented, especially has this been the case under some emergent situation, as for instance the breaking down of the water supply in a large city when an outbreak of fire would have meant a terrible conflagration. Citizens were cautioned — rigid inspections of buildings were made—and a declaration of relentless warwarfare against the fire demon was announced as part of the protective programme. The result — fires ceased. But alas, as soon as normal conditions were again restored — the fire fiend was busy on the job.

Citizens' Duty Clear

People should be careful and see that all fire hazards are removed or corrected. Faulty construction should be eliminated, and fire breaks should protect all high value areas. Good housekeeping is of paramount importance. A clean house seldom burns.

Good housekeeping should also cover the civic authorities realm of activities both in the matter of clean streets and vacant lots, cutting of grass, weeds and scrub, and the beautifying of the municipal structure generally by encouraging the painting of buildings, planting of trees and shrubs, and the growing of flowers in every spot where they will show off to advantage. Old dilapidated buildings should be removed—they are not only a fire menace to surrounding property but they are a disfigurement and canker to the beauty and development of the town.

The regular, systematic collection of all refuse, papers, and other litter is most imperative from a hygienic as well as from a fire prevention standpoint. In a western town where there was no such collection it was the custom to burn the winter's accumulated refuse in the springtime. Carrying out her idea of housekeeping a woman started a bonfire in the backyard —the wind came out of the west—with the result that her home, the next dwelling, and eight other buildings were burned to the ground. Fire is treacherous. When properly handled it is a good servant, but in the hands of the careless person, it becomes a cruel master. Properly constructed incinerators should be used for burning rubbish.

Limitless Problem

The subject of fire prevention is almost without limit—its intricacies and problems are diversified—its application is universal. Fire Prevention Week—October 8 to 14 —is set aside that you may diagnose your own particular hazards and apply such remedial treatment as will prevent the dread scourge of fire becoming prevalent.

The progress and prosperity of the province and nation is affected in proportion to the suffering of the city or town through the loss by fire of a factory or other institution that is functioning to maintain its industrial life—when the circulation of the regular payroll is cut off. The loss of a building through fire is a double liability to the community for it removes from the assessment roll one of the income producing properties of the town—to which must be added the loss of vast sums through the interruption of business and consequent elimination of profits. How handy that forty-two millions that went up in smoke last year would be in cash just now for constructive enterprise.

PER CAPITA LOSS SMALLEST IN CITIES

Small Towns' Losses Nearly Double City Figures

Some indication of how adequate fire protection reduces the per capita fire loss is shown in the annual report of the Dominion Fire Commissioner. In a table showing the municipal groups classification for 1932, cities of over 10,000 population are shown to have a fire loss of $3.06 per capita as compared with a loss of $6.92 in cities and towns of from 1,000 to 5,000 population and a Dominion average of $4.06 per capita.

Total 1932 loss and per capita losses in five classes of municipalities are shown in the following table:

	Total Loss	Per Capita
	Total Loss	Per Capita
Cities over 10,000 population	$13,784,209	$3.06
Towns of from 5,000 to 10,000 population	2,988,592	5.43
Towns 1,000 to 5,000 population	5,651,044	6.92
Villages under 1,000 population	7,028,763	4.39
Rural districts	12,741,204	3.42
Total	$42,193,812	$4.06

UNTIRING EFFORT LIMITS NUMBER OF ONTARIO FIRES

Many and Varied is Work Being Undertaken

Continuously confronted with the epidemic of fire, it is necessary to counteract it by untiring efforts in its prevention and control, George F. Lewis, Ontario Deputy Fire Marshal told The Financial Post in outlining fire prevention work in Ontario. Complicated conditions must be diagnosed and the proper antidote administered, or relief prescribed according to the requirements of the case, he said.

The problems submitted for solution and correction are not only large in number but are frequently of a highly technical and complicated character. Safety to life has to be considered from various aspects—proper and sufficient exit facilities must be provided where a number of people congregate. This often requires alterations to buildings, the erection of fire walls and fire doors, the installation of sprinkler systems and many other details.

Many Inspections

Field men are continually making inspections for the purpose of eliminating fire hazards and ordering the removal of old dilapidated buildings, as well as the cleaning up of accumulations of rubbish and litter.

Another group of field men cover rural as well as urban districts, testing and inspecting lightning protective systems installed throughout the province. Where defects are found corrections must be made by the licensed agents and the system brought up to standard as required by the Lightning Rod Act and the regulations.

Other field men investigate suspicious fires and obtain the evidence for prosecution of incendiarists in the courts. In connection with these investigations, which are not always of a criminal character, individuals and municipalities are advised as to what should be done in order to prevent unnecessary fire waste.

Storage Hazards Examined

Hazardous occupancy in loft buildings, or structures in high value areas, where handling and storage of quantities of volatile or flammable material is processed is a matter that is carefully checked up.

Fire protection is given a great deal of study and we frequently cooperate with municipalities, address public meetings, confer with officials, etc., for the purpose of organizing fire brigades, installing water works, fire alarm systems and numerous other matters connected with fire protection, as well as the survey of public institutions, etc.

The education of the younger generation has occupied a prominent place in our fire prevention activities. Hundreds of thousands of pamphlets and home inspection blanks have been circulated among the children of the province. Essay writing has been encouraged in primary, continuation and high schools and also in the universities. Prizes have been liberally donated to enthuse and encourage the children.

Fire Drills

A system of fire drills in schools and public institutions has been devised and cards distributed throughout Ontario so that teachers and scholars alike, moving from one place to another, would be familiar with a system that is uniform throughout the country. It has been our effort through circulation of these cards to have other provinces adopt this system.

Fire Prevention Week and time devoted to the spring clean-up are periods set aside to specially accentuate the work of fire prevention. Royal proclamations and other fire prevention literature are widely distributed. Splendid co-operation is given to this phase of the work by the daily and weekly press through their editorial and news columns, as well as by the leading magazines.

The education of the young in fire prevention work is paramount, and greater effort should be made along these lines in our public schools in order to train future generations in the conservation of life and property from fire.

Canadian Wheat to Britain

Wheat imports into the British Isles during the crop year, August, 1932, to the end of July, 1933, totalled 204,375,817 bushels, of which Canada supplied 102,882,268 bushels or slightly more than half of the total imports

REDUCING BUDGET FIRE DEPARTMENT REQUIRES STUDY

Essential Services Which Must be Retained Outlined

The present day tendency toward drastic municipal economy because of the widespread demand for tax reduction brings a new responsibility to the fire prevention committees of our cities, states the National Fire Protection Association of the United States in a recent publication. It cannot be denied that fire department budgets may be reduced in certain cities without seriously jeopardizing the safety of the community and protest against any reduction of fire department expense without careful investigation of facts is ill-advised. However, wholesale cuts in fire department budgets by municipal authorities without intelligent study may be equally ill-advised and have serious consequences.

The fire prevention committee of the local Chamber of Commerce is in a position to render great service by interesting itself in this current problem and by urging proper forethought before damaging action is taken. If reduction of municipal fire protection is carried through wisely or otherwise, the argument for increasing fire prevention activities which may be carried out at little or no expense is increasingly potent.

False Economy

A number of cities have reduced or eliminated fire prevention inspection bureaus of fire departments as an economy measure. In hard times, carelessness and incendiarism increase and inspection work is of greater importance than in good times. Reduction of fire department inspection work is false economy. A study of the cost of fire prevention bureaus in typical cities shows that the bureau spends from one-half of one per cent to four per cent of the fire department budget. The total possible saving in cutting down these bureaus is obviously small.

Some of the inexpensive ways to keep down fire losses are listed in this publication. They are as follows:

1. Study the fire department budget. Fight for the appropriation that should be retained for essential fire protection and fire prevention, and oppose any obvious unnecessary expenditure.
2. Secure better inspection for fire hazards:
   (a) By the maintenance of a fire prevention bureau in the fire department.
   (b) By regular systematic inspections by firemen in their districts.
   (c) By inspection of the basements of all dwellings by firemen in a special campaign.
   (d) By the use of home inspection blanks distributed through the school children.
3. Secure better fire control legislation.
   (a) By adoption of a fire prevention code controlling hazardous materials and fluids.
   (b) By adoption of an ordinance prohibiting wood and shingle roofs throughout the city limits.
   (c) By adoption of a modern building code.
4. Reduce conflagration hazards by securing the condemning and removal of dilapidated buildings, using the unemployed for labor.
5. Reduce incendiary fires by securing better investigation of suspicous fires by the fire and police department and by securing greater cooperation from prosecuting authorities and the courts.
6. Reduce losses from water, smoke and exposure by securing salvage equipment and training for the fire department.
7. Reduce grass, brush and dump fires by securing special patrols in dry weather and supervise burning over of vacant lots. Needless runs of the fire department cost money.
8. Campaign against false alarms by securing heavier penalties by agitation. False alarms cost money.
9. Arrange for the teaching of fire prevention in the schools and for a continuous appeal to adults through newspapers, radios, and addresses to civic organizations. Secure co-operation of the women's clubs, the Boy Scouts, the Girl Guides and similar organizations.

Over 2,500 Lives Lost in Fires, Past 8 Years

Over the past eight years, fires in Canada have taken a toll of approximately 2,500 lives, an average of 312 per year. That this large loss of life in itself would appear to call for greater fire prevention is obvious but the fact that of this total 1,200 were children makes the need for greater protection even more.

"Women and children first" has always been the accepted procedure when danger threatens yet 686 women lost their lives through fire during the eight year period as compared with 518 men.

Insurance Cannot Replace Lost Business Records

Prevention Only Safeguard Against Loss of Business Books By Fire—Burned Records Usually Mean Bankruptcy

Few of us fully sense the terrible suffering and tremendous loss that practically every serious fire brings. As to seeing it strike us we are unthinking optimists. Flippantly, we say, "Well, what of it? I'm insured."

The thought, (if any), is of physical losses only, even there forgetting that many of these are not insured. But a loss of building alone, even the insurance is intentionally only a partial coverage, is never of tremendous moment. A temporary building can be secured promptly; and the destroyed building quickly replaced.

To be sure, it is expensive, and we all share in the cost. Insurance rates are based on risk and loss, and every insurer must add the price of his insurance to the cost of his goods. In this direct way fire insurance on industry and its products is costing every man, woman and child in this country over $4 per year.

What if Records Lost

But buildings, stocks and stores, furniture and fixtures, even machinery and equipment can be replaced.

What about records?

Everyone admits that records are vital to any business, but be specific.

What would you do if fire destroyed your business? Doubtless your plan would be:

Resume business immediately,
Collect your fire insurance,
Collect accounts and notes receivable,
Guard against unfair debt claims,

and you could do all this if you still had your records. You know of men who have done it.

But what if all records were lost! Then you could understand the look of abject despair that has stamped itself upon the faces of the army of business men to whom this has happened—a score of them every hour of the day, every day in the year. The results of the labor of a lifetime swept away, irretrievably lost. A going business, with an annual payroll averaging $50,000, wiped out every three minutes. Intangibles—good will worth millions, the result of years of careful cultivation, patient service and expensive advertising—utterly destroyed in the breath of flame. No insurance on these values!

Resume business immediately! You cannot. You have no record of orders, either unentered, in process, or filled but unshipped. No production, operating or cost records. No records of purchases, specifications or material tests.

Resumption Impossible

All other elements being favorable, time, memory and the records of shippers and of salesmen might enable you to reconstruct a part of your order record, but as to resuming business immediately, with all records gone, only a peanut stand could hope to do it.

A bit panicky, you turn to the collection of insurance, only to discover that your policy requires you to produce certain records, to prove actual loss, and you cannot produce these records! Interminable delays, a cruel appraisal, and usually an eventual settlement far below what you know but cannot prove to be right!

Perhaps you are still an optimist, and hope to collect your accounts receivable. Is it necessary to cite instances to reveal the disappointment that awaits you? It makes a good story—the butcher who forgot who bought the ham, sent a bill to nineteen customers and received payment from twelve—but it never happened after a fire.

Lost Records Fatal

To a business of any proportions, a complete loss of records is usually fatal. Even a partial loss is a body blow. Like heirlooms, records are irreplaceable. The cost of attempting to reproduce them is prohibitive and the results deceive no one. You cannot insure them; or better, the only insurance is adequate protection and preservation.

Cornwall Losses Less Than $250,000

While fires in Ontario during August accounted for a loss nearly half a million dollars greater than in the same month of 1932, the feature of the report of the Ontario Fire Marshal is the estimate of the loss in the Cornwall fire. This fire, the loss from which was variously estimated at amounts ranging to over $1,000,000, is estimated by the Ontario Fire Marshal to have damaged property to the extent of only $243,855.

Total fire loss in August amounted to $1,746,220 as compared with $1,259,073 in August, 1932, the number of fires being respectively 1,160 and 1,117. Approximately 81 per cent of the August loss was covered by insurance as compared with 83 per cent in August, 1932.

Large fires in August were the McFadden lumber mill at Algoma with a loss of $525,000, the Cornwall fire already mentioned and a fire at the Nipissing mine, Cobalt, costing $63,750.

FIRE LOSS RECORD FIRST HALF 1933 SLIGHTLY BETTER

Number of Fires Increase, However, Records Show

Although there have been a number of large fire losses in Eastern Canada during the past two months, it is significant that fire losses in Canada during the first half of the year showed some improvement over the previous year according to the latest figures available to The Financial Post.

Typical of this betterment is the semi-annual report of the Ontario Fire Marshal which shows that, in that province, fire losses in the first six months of the year were roughly 22 per cent below the corresponding figure of 1932. The total loss to the end of June was $5,260,000 as compared with $6,771,000 in the same period a year ago. Of the 1933 total, approximately 88 per cent was covered by insurance, an exactly similar percentage was covered by insurance in 1932.

Dwelling Fires Gain

The number of dwelling fires, however, has steadily increased according to the Ontario results. In the first six months of the year, dwelling fires in the province alone numbered 6,495, an increase of nearly 150 over the previous high mark of 1932. This increase occurred in the face of a substantial decline in the total fire loss from this type of risk.

Lower fire losses are reported also for 1933 by Great Britain and the United States. The British estimate of fire losses in the first half of 1933 for principal fires is placed at £4,571,000 as compared with £5,516,000 in the same period of 1932. These figures take into account only fires in which the damage is £1,000 or more.

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Canada's Fire Loss In Property Alone $42,000,000 in 1932

Carelessness Chief Cause Says Fire Commissioner

WARNS SMOKERS

Need for Protection Apparatus and Education Vividly Brought Out in Loss Figures

Canada lost, in 1932, the sum of $42,193,815 through fires, or at the rate of $4.06 per capita. This is an improvement over 1931, when the comparative figures were $47,117,000 and $4.54, but is about ten times higher than the per capita losses reported in many European countries. Canada has to carry this annual burden of over $40 millions and in addition the cost of protection and insurance.

Although the reported fire loss in Canada in 1932 was approximately $5,000,000 less than in the previous year, this does not represent a reduction in the amount of actual property lost when the depreciation in the value of all property is considered. For example, insured property values declined from $11,890,000,000 in 1931 to $10,999,000,000 in 1932, an unprecedented depreciation of almost $900,000,000. Thus, if the difference in the computed loss be balanced against the difference in insured values, it will be found that the property destroyed by fire in 1932 was approximately equal in extent to that destroyed during the previous year.

Eighty-four Per Cent Insured

Of greater significance is the statement that while insured property losses evidenced a decrease of almost $1,000,000 in 1932, uninsured losses were less by more than $4,000,000. Eighty-four per cent of the total loss was covered by insurance, whereas the proportion in 1931 was only 76 per cent. This decrease may be explained by the fact that fire insurance is written for an extensive period while commodity values are subject to the constant fluctuation of supply and demand. Such a conclusion is substantiated by the Fire Marshal of Ontario, who states, in referring to the experience in his province, as follows:

"In 1932, 88 per cent of the total loss was recovered by fire insurance, whereas in 1930 and 1931 it was only 80 per cent. Fire insurance being placed in advance has naturally been found to cover a larger percentage of the loss than would have occurred in normal times."

Fewer Fires in West

Concurrent with the decreased loss there was also a substantial reduction in the number of fires reported. This experience, however, was not general but was entirely confined to the Prairie Provinces. British Columbia had 262 additional fires, New Brunswick 220, Nova Scotia 219, Ontario 272, Prince Edward Island 58 and Quebec 355. On the other hand, Alberta had 124 less fires, Manitoba 701, and Saskatchewan 1,992. It is noteworthy that the province of Saskatchewan not only reduced the number of fires from 3,888 in 1931 to 1,896 in 1932, but reduced also the consequent loss from $3,564,800 to $1,673,741.

In general, the returns for the year 1932 do not support the opinion that poor business conditions result in an increased fire loss, J. Grove Smith, Dominion Fire Commissioner, states in his annual report for 1932. On the contrary, commercial classes of property show a remarkable low level of loss, apart from a few specific industries such as lumbering. During the year, 2,949 official enquiries were held into the circumstances in fire of questionable origin and 459 were presumed to be incendiary.

Incendiarism a Problem

Referring to this incendiarism, Mr. Grove Smith states in his annual report:

"Public attention might at this point be directed to an increasing tendency among certain classes of our population to defy the laws and social conventions established for the general welfare. Reference is not made to those who under the stress of economic circumstances find themselves embittered against society, and so mentally unbalanced as to harbor destructive intentions to all other institutions. Subject to a maintenance of order, our sympathies might well be extended to these but sterner measures must well be directed toward various sectarian bodies which have definitely adopted policies and tactics of offence abhorrent to Canadian ideals.

"In Western Canada particularly, a most difficult situation has arisen through the wanton burning of school property presumably by a body known as the Sons of Freedom. In one province alone, 35 public schools have been destroyed and in all enquiries, authorities have been confronted by the stone wall of feigned ignorance. In some other provinces, it is believed that similar bodies, mainly of foreign origin, are either in existence or process of organization. In referring specifically to this matter it is not the intention to raise racial or class feeling but merely to urge the wisdom of supporting our public officials in any measures they may adopt to repress a virulent condition which may otherwise become a widespread menace."

Fewer Large Fires

In 1932, the number of large loss fires was less than in any one of the past ten years. Fires in which the damage exceeded $100,000 numbered 23, as compared with 29 in 1931 and 41 in 1930. The principal outstanding losses were the following:

Port Alfred, Que., pulpwood	$2,105,000
Niagara Falls, Ont., Clifton hotel	644,980
Montreal, Que., Canadian Vickers dock	385,000
London, Ont., dry goods store	371,410
Spragge, Ont., Midland lumber yard	343,960
N. Vancouver, B.C., sawmill	298,800
Goward, Ont., Timagami lumber yard	280,110
Charlottetown, P.E.I., Prince of Wales College	245,000
Midland, Ont., Leatherby lumber yard	228,020
Thessalon, Ont., Crane lumber yard	214,870
Bromptonville, Que., pulp and paper mill	212,610
Hamilton, Ont., wholesale stores	181,420
Chandler, Que., pulp wood	170,000
Rainy Lake, Ont., Mageau lumber yard	158,000
Field, Ont., Mageau lumber yard	153,638
Le Bret, Sask., Indian school	150,000
Montreal, Que., dwellings	125,000
Alexandria, Ont., general store	122,680
Lucerne, Que., Canadian Pacific hotel	118,340
Timmins District, Ont., Fesserton lumber yard	110,738
Lac au Saumon, Que., Roman Catholic church	110,000
Courtland, Ont., dry milk factory	107,520
Montreal, Que., municipal stables	100,000

Port Alfred Blaze

The fire at the plant of the Canadian Pulp & Paper Corp., Port Alfred, Quebec, had more than usual significance in that it occurred in the largest pulpwood pile ever accumulated in the paper industry and was the greatest pulpwood loss so far recorded. Approximately 221,000 cords of wood were involved and eventually 40,000 cords were saved. The fire lasted for 11 days and 15 hours and in its extinguishing one of the largest aggregations of public and private pumping equipment ever brought together was employed.

Approximately 50,000,000 gallons of water were poured upon the fire every 24 hours for the entire period and the numerous expedients adopted to check the flames gave a remarkable illustration of resourcefulness in the face of an unprecedented situation. The fire protection, which was far above that of the average mill was found to be entirely inadequate to control a fire of such dimensions.

Lessons Learnt

The lesson of the fire briefly is that pulpwood storage should be arranged in a series of small piles rather than in one large pile and that all piles should be of moderate height fully surrounded by sprinkler apparatus and hydrants connected by a central pumping system, Mr. Grove Smith states. Where yardage will not permit a multiplicity of piles, fire walls should be erected to divide large piles into limited sections. Standard hose nozzles should be adopted throughout Canada for both municipal and private use. In every case where hose was brought from other camps plants to Port Alfred fire, adapters had to be made in the machine shops before the hose could be used.

The definite need for fire protection education among the citizens of Canada is well illustrated by the increasing number of small dwelling fires in which losses of $10, $20 and $25 were claimed and paid. While large loss fires in 1932 declined both in number and in the aggregate amount of incurred loss, small fires show a corresponding numerical increase. There were 36,463 fires, each with a loss below $1,000, as compared with 36,684 fires in 1931.

With few exceptions, these small fires occurred in dwellings and the alarming rate of increase indicates a widespread wave of carelessness or a condition of the public mind which is even more reprehensible, Mr. Grove Smith states in his report. The Fire Marshal of Ontario, in his annual report of 1932 makes an interesting analysis of dwelling fires, and in respect to the situation in his province, states:

"This can only be regarded as a startling revelation which should call for the most serious consideration of all, whether interested in fire prevention or in fire insurance rates."

Average Claim $13

In the cities of Toronto, Ottawa and Hamilton, more than one-half of the total number of fires have been in dwellings where the average loss has been only $13 and the maximum individual loss $25, a survey of the past three years figures indicate. Commenting on this situation, the Fire Marshal of Ontario states:

"Straws show which way the wind blows. The fire loss in dwellings in these three cities has been determined by 'gifts' of $25, $20 and $10 respectively. During the same period we have had a large number of claims as low as $1 but $25, $20 and $10 seem to be the favorite figures. What is a reasonable conclusion for this?"

Smokers Careless

Smokers' carelessness is again, in 1932, one of the chief causes of fire in Canada. Mr. Grove Smith refers to the increasing number of such fires as alarming. He points out that from an average of 2,500 fires per annum during the five-year period, 1922-27, this cause now ranks the highest with an average of more than 9,000 fires per annum. Comment would be justified respecting the now prevalent use of cigarettes by persons of all ages and both sexes. This might, however, be regarded as unfair in view of the fact that fires from other causes show an increase and 95 per cent of all the causes reported have their root in individual carelessness.

Under these circumstances, he says, it is perhaps more true to state that carelessness and negligence of safety principles is fast becoming an ingrained habit of our people and that no remedy for this condition is practicable so long as the results of such negligence can be unloaded upon the general public through the medium of fire insurance.

Need More Protection

It is unfortunate in that in times of economic stress, little is done to increase the fire protection apparatus throughout the country. In concluding his report for 1932, Mr. Grove Smith refers to this condition as follows:

"Owing to economic pressure and the necessity for curtailing expenditure, little consideration has been given to fire protection either by the municipalities or large property owners. Practically no new water supply systems were installed and comparatively few major fire appliances were purchased. In the field of private fire protection, only 38 automatic sprinkler systems were installed and little was done to extend already existing systems. As a result of the educational campaign carried on, some of the larger ecclesiastical and educational institutions have made enquiries regarding the equipment of their property and it is anticipated that progress in this direction will be made with improvement in financial conditions."

Fire of London Has Lesson For Modern Towns

"The burning still rages, and it has now gotten as far as the Inner Temple, all Fleet Street, the Old Baily, Ludgate Hill, Walting Street now flaming, and now most of it reduced to ashes; the stones of St. Paul's flew like grenades, the melting lead running down the streets in a stream, and the very pavements glowing with fiery redness, so that no horse or man was able to tread on them. . . . The eastern wind still more impetuously drove the flames forward. Nothing but the almighty power of God was able to stop them, for vain was the aid of man."

So did Sir John Evelyn describe the Great London fire of 1666. It was an unimaginable holocaust. In the space of a few hours a great part of one of the foremost cities of the world was reduced to ashes. Loss of life reached inconceivable totals. It was one of the major disasters of the world's history.

It is hard to conceive that such a fire could now occur in any great city. We have come too far in the art of fire-fighting. In 1666 fire-quenching apparatus had hardly progressed beyond the primitive method of throwing buckets of water at the raging flames. As Sir John Evelyn wrote, man was entirely powerless.

Yet many small towns remain almost as poorly protected as was London in that early day. They are open to ravage by fire that may wipe them out and put a period to their community existence. It is here that the development of first-class fire fighting departments has been slowest—and here that it is most needed now. The money any town, or group of towns co-operating with each other, spends for standard apparatus and a trained, efficient department, is the surest kind of economy.

DWELLING FIRES ANNUAL INCREASE WORRIES FIRE MEN

Carelessness and Small Claims Boost Losses

Amount of loss in fires in dwellings has shown a steady annual increase over the past decade and now is considered one of the major problems with which fire insurance companies have to deal. From an amount of only slightly more than $7,000,000 in 1922, losses in this type of fire have increased to almost double this amount, or $13,676,000 in 1932. While the number of fires have increased from 16,041 to approximately 23,000.

It is significant that this increase in the number of dwelling house fires is common to both United States and Canada while the problem is not an important one in Great Britain. In their annual reports of the past two years, British insurance companies doing business in both Canada and the United States have drawn the attention of their shareholders and policyholders to this large increase in these areas, the tone of the reports showing that they were frankly worried by this large increase in losses. Common experience with these companies has been that, while their writing of insurance in Great Britain has shown a good profit, they have been forced to take large losses on their Canadian and United States business.

Steady Increase

The statistical record of the number of fires and the amount of loss in Canada over the past decade visibly points out the steady increase in the loss from this source.

Fires in Dwellings, 1922-1932

Year	Number of Fires	Amount of Loss
1922	16,041	$7,057,686
1923	17,789	7,686,955
1924	16,943	6,998,473
1925	19,166	7,653,204
1926	18,581	8,321,006
1927	19,304	7,830,925
1928	21,216	8,742,883
1929	22,461	11,436,385
1930	24,103	11,625,274
1931	34,545*	13,504,212
1932	35,624*	13,675,641
Total	245,773	104,532,643

*Note: — Includes approximately 12,000 small fires in which insurance losses were paid but fire depar̈tments were not called. Such fires, numerically considered, were omitted in former years although the loss occasioned thereby was included in the total loss.

Appeal to Fire Companies for Prompt Loss Reports

An appeal to fire insurance companies to be prompt and accurate in reporting claims has been sent to all Canadian fire insurance companies doing business in Ontario over the signature of E. P. Heaton, Ontario Fire Marshall. The appeal reads as follows:

"To ensure accurate statistics it is necessary that we receive prompt service from fire insurance companies in reporting claims.

"We recently received 79 reports from one company dating as far back as January, 1933—total amount involved in fires of prior to August 1, $45,500. Most of these fires were in rural communities of which we had no previous notice. Our monthly statistical reports therefore have been inaccurate by so much! Our report for the month of August now enclosed is therefore increased by the reported 'back fires' which should have been included in their respective months."

OIL BURNER FIRES PREVENTION WORK B.C.'S ACTIVITY

Installation and Maintenance Regulations Passed This Year

By J. A. THOMAS,
British Columbia Fire Marshal

Fire prevention activities in British Columbia this year have been confined largely to getting out and putting in force regulations governing the sale, installation and maintenance of oil burners and the construction of chimneys. This is in view of the fact that we have found that a large number of unapproved oil burners were being put on the market, in many cases being responsible for fires and as we have had no control over them in the past it was deemed advisable that regulations should be drawn up requiring a permit before such burners could be installed. These permits are not issued until a certificate of approval from some recognized authority is filed with the fire marshal. These regulations are now in force and are working out quite satisfactorily. We hope that they will result in a decrease of fires from this source.

With reference to the chimneys our records have shown in the past that a large number of fires have occurred in this province due to the installation of defective chimneys. Regulations governing the construction of these chimneys have been drawn up and are now in force throughout the province. One case of defective chimney causing a fire, a case very much in point, was the Cumberland conflagration.

Better Than Cure

We are still convinced in this province that the best and cheapest time to put out a fire is before it starts. With this in view we are continuing our activities in the line of organized inspection of all premises throughout the province. This is carried on continuously throughout the year and reports are made to this office every month by the local assistant fire marshals as to their activities in this regard. In our two largest cities, Vancouver and Victoria, where this work is carried out systematically and thoroughly a very decided decrease in fire losses has been noted. In cities where the work is not so well organized the results are not as good but we hope in the coming year to have our organization perfected all over the province and that we may see a great decrease in losses as a result.

Canadian Airways Traffic Heavy in July

From Our Own Correspondent

MONTREAL — Canadian Airways Ltd. reports that its machines flew 1,218 hours in July, bringing the total for the first seven months of the current year up to 7,620 hours. Miles flown in July numbered 111,799, making an aggregate of 695,537 to the end of that month.

Mail, freight, express, etc., carried by Canadian Airways machines in July amounted to 163,627 lbs., making a total of 1,405,497 lbs. for the first seven months of 1933. There was a sharp increase in the number of passengers carried in July, numbering 3,046, making a total to date of 8,374.

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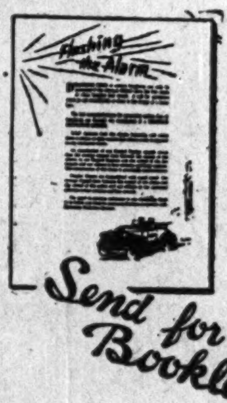

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Alberta Fire Marshal Stresses Programme Education, Inspection

Widespread Activities of Provincial Department Outlined

EXHIBIT AT FAIRS

Fire Prevention Activities Maintained Throughout the Year—Literature Distributed

By HENRY BRACE
Alberta Fire Commissioner

When it is considered that that which is consumed by fire is gone for ever, and that each year brings an ever increasing toll in the loss of life and destruction of property, we must realize there is a very urgent need for increased fire prevention activity. The cost of fire insurance protection, like life insurance, is based upon the loss experienced, hence if we can adopt effective means of protecting property against fire and thereby eliminate the danger, our action will have had a tendency to lessen the risk and reduce the cost of insurance accordingly. If the fire loss in Canada can, by effective means, be reduced and held at a lower level for a considerable period, fire insurers will be enabled to promulgate lower rates and a saving to the public will result.

To effect this, it is essential that educational propaganda and inspection be carried out to the greatest extent possible, with a view to the elimination of carelessness. In order to bring about such a saving, it is essential that every known fire hazard be eliminated, and means provided of ready and effective control of all conflagrations, this, in the long run, would mean real thrift and economy and should not only be aimed at in reducing the number and severity of fires, but it must also include the important object of reducing to the utmost the serious annual record of suffering and the thousands of fatalities occasioned by fire, for it must be remembered a destructive fire may essentially interfere with the stabilization of employment and the health and safety of a community. Fire puts men out of work, and in many instances results in serious injuries or fatalities. Viewed from this angle fire prevention is given new impetus as being a factor in our daily lives aimed at the elimination of waste—waste of material, of property, of the utility and value of the work, and waste of life itself.

Year's Fire Results

In the Province of Alberta during the year 1932, property to the value of $2,495,492 was destroyed by fire, resulting from 1,937 fires, and more serious still, causing many deaths and numerous serious injuries. Many of the owners suffering these severe losses could not afford them, more especially in these times of depression. Losses in a good many of the cases have meant that a lifetime of toil and effort and saving has gone up in smoke in a few brief minutes. What should be the effect when carefully prepared statistics of the fires mentioned reveal that eight out of every ten were due to carelessness in the handling of fire or neglect in removing a fire hazard, a condition which could very easily, with a little forethought, have been rectified?

The subject of fire prevention must be treated as a matter of much importance affecting the wellbeing of the citizens as a whole. In Alberta the authorities have tried hard to do their part, and the personnel of the office of the Fire Commissioner has been continually on duty, investigating, instructing, and guarding against the many causes of fire. During the year 1932, sixty-six fire losses of suspicious origin were investigated by officers of the Department, twenty charges were laid against persons suspected of being the cause of fires and eight convictions were secured, there were five accused persons awaiting trial at the end of the year. Five Courts of Enquiry were also held, under authority of The Fire Prevention Act, to determine the cause and origin of certain fires. Regular inspection of 254 towns and villages was conducted during the year, and 287 written orders to remedy fire hazards found to exist were issued, together with numerous verbal orders, the latter being re-inspected to assure the Inspector of their remedy, before his leaving the district.

Provincial Activities

During the year a "Fire Prevention" exhibit was again displayed at the Edmonton Exhibition, July 17th to 22nd, when in conjunction with the City of Edmonton's Fire Department, as a main feature of the exhibit, two model homes fully furnished and complete in every detail were featured. One house displayed the "Wrong Way" with faulty furnace, electric wiring, and radio installations, improperly constructed building, electric wiring extensions, etc. in comparison with the "Right Way" indicating the proper construction of a dwelling, correct installation of heating apparatus, construction of chimneys, and radio and lightning rod installations, indicating also a clean basement and attic, care and proper disposal of rubbish, etc. In all, "32" common fire hazards were graphically demonstrated in the house representing the "Wrong Way."

This exhibit which took two months to complete, was most favorably commented upon, and was visited by thousands of people during the week, who showed a very keen interest. It presented a true object lesson in fire prevention and the checking of common fire hazards found to exist in most homes. On most occasions during the fair week our booth, although of good size, was found to be inadequate to accommodate the numbers of the public who sought to inspect the exhibit. Latest fire fighting equipment was also on display in the booth, and officers and representatives of the office of the Fire Commissioner, together with officers of Edmonton's City Fire Department were on hand to answer questions put to them by enquirers respecting fire prevention methods, fire hazards, use of fire extinguishers, etc.

Display Effective

The results proved that the service was being greatly appreciated, and judging by the number of enquiries made, and the interest taken in the exhibit, it is quite apparent that the public are, through fire prevention work, being aroused to the necessity and importance of the subject. Thousands of descriptive circulars were distributed. A similar exhibit was displayed at Calgary, during the Calgary Stampede Week, July 10th to 15th.

School Fire Drills

During Fire Prevention Week, October 9 to 15, 1932, officers of the Fire Commissioner's office cooperated with the various fire departments throughout the province, wherever possible, in visiting schools, accompanied by the School Building Commissioner, where available, for the purpose of making inspections. The system adopted at each school, was to arrive unannounced and register a fire alarm. Evacuation of the school building was timed and the system of drill noted, and recommendations for improvements where necessary were later discussed with the principal of the school and the Building Commissioner. Upon returning to the school building after fire drill, pupils were assembled and given a 15-minute talk on matters relating to fire prevention, pupils being counselled to act as fire inspectors during Fire Prevention Week for the purpose of inspecting their homes, and instructed as to the effecting of remedies. Higher grades were addressed separately and each school inspected and hazards found to exist were remedied. During "Fire Prevention Week" considerable literature was also distributed, and lectures given over Edmonton's two radio stations.

It would be impossible, in the space at my disposal, to detail the numerous duties we are undertaking in the efforts to reduce the annual fire loss in the province. With the advancement of living conditions, new risks and hazards appear. Continued vigilance signifies the efforts being put forth. So far as the public are concerned, the spectacle of charred ruins of buildings accompanied by other calamities as a result of fire is, I suggest, a grim reminder that they should be ever on the alert to guard the results of years of labor, against the ravages of fire. What does it profit anyone to devote a lifetime to building up a home or a profitable industry only to have to stand helplessly by, when success has been realized, to see it all "go up in smoke?"

In conclusion may I say that in carrying out fire prevention work, one thought should ever be borne in mind, that in detecting and remedying fire hazards in the home or elsewhere, intelligent vigilance is always necessary. The more one studies the subject, the more one must agree that in fire prevention, the old adage still holds true, "An ounce of prevention is worth a pound of cure."

Forest Fires Annual Toll Should be Cut

Canada's annual fire loss to standing timber from forest fires amounts to approximately $5,000,000 a year and of that, the total loss through this type of blaze amounts to close to $8,000,000. These are, perhaps, the best reasons for care being taken in the use of matches, camp fires, etc., in wooded areas. While care of this kind at all times is important, it is particularly so at the present when staffs of the fire ranger departments of the various provinces are considerably reduced.

Some idea of the losses caused through careless campers is contained in the report of the Minister of Lands and Forests for Ontario for 1932. According to the report, settlers were responsible for 15 per cent of the total number of fires but only 3.9 per cent of the area burned in Ontario; campers were responsible for 28.4 per cent of the fires and 30 per cent of the area burned; lightning for 10 per cent of the fires and 55 per cent of the area, smokers for 13.5 per cent of the fires and 0.9 per cent of the area, and incendiarism for 16.4 per cent of the fires and 1.6 per cent of the area.

Appropriations Cut

The report contains a challenge to governments cutting the appropriation for this type of work. In part, the report states:

"The greater proportion of the area of 454,665 acres was burned in six fires. A considerable amount of the area is a direct result of the reduction in staff. Of the six fires responsible for most of the area burned it was not possible to place men and equipment on three of these until some days after they were discovered and no men at all were placed on others. Under ordinary conditions, of staff these fires could have been controlled when they were first discovered. While the reduction in staff enabled a saving in ordinary payroll extra costs of fighting these fires more than equal this saving."

Protecting Church Properties Important Prevention Measure

The complete demolition of the cathedral at Valleyfield, Que., a few weeks ago brings the need for fire protection of church properties dramatically before the public.

Effective preservation of Canada's churches against the ever present fire-demon is a matter that should receive special attention during Fire Prevention Week from every Canadian who is a member of a church committee.

One has only to consider for a moment how much richer, artistically, the world would be today had all the magnificent edifices of past ages been able to be properly safeguarded against the ravages of fire to appreciate just what importance attaches to modern fire prevention movements and the efficient mechanical appliances and equipment that have been developed in the last two decades.

During the past few years, many outstanding churches have been equipped with automatic sprinkler systems, thus ensuring their preservation in case of outbreak of fire. Due largely to the efforts of Monsieur Amile Vaillencourt, three churches in Montreal; namely, Notre Dame, Très Saint Nom de Jésus and Saint Clement de Viauville have been so protected. To Monsieur Vaillencourt has been attributed the idea which resulted in the formation by the Quebec Government of a commission charged with the conservation of historic monuments.

Probably the most important sprinkler installation that has been made so far is that of Notre Dame Church, Montreal, where the system comprises nearly 4,000 sprinkler heads ready to function upon the slightest sign of fire. The skill with which these have been disposed is remarkable. Any exposed pipes, and these are few, are painted to blend with the color of the background, and sprinkler heads, of which there are about 4,000 in all, are cleverly arranged so as to be practically incapable of detection.

Kirkland Lake Holds Low Record On Loss Per Capita Basis

Per capita fire loss figures for 1932, as compiled by the Department of Insurance at Ottawa show Kirkland Lake, Ontario, with the best record for 1932. Fire loss in that municipality has been small for the past three years, 1930 being the highest with 90 cents. Loss of the Niagara Falls hotel was the chief cause of the $42.90 per capita recorded for that city to make it the highest in the Dominion.

Comparative figures follow:

FIRE LOSSES IN MUNICIPALITIES WHERE POPULATION EXCEEDS 10,000

	Population 1932 No.	Total Property Loss, 1932 $	Loss per Capita 1932 $	Loss per Capita 1931 $	Loss per Capita 1930 $
Ontario—					
Belleville	14,012	40,738	2.91	1.33	2.30
Brantford	30,500	14,557	0.48	1.33	6.82
Chatham	15,000	74,395	4.96	6.33	5.10
Cornwall	11,344	15,540	1.37	1.24	0.83
East Windsor	14,000	16,820	1.20	1.23	1.04
Fort William	26,222	103,652	3.95	3.22	33.96
Galt	13,732	6,475	0.47	1.41	2.61
Guelph	22,000	21,769	0.99	3.78	1.52
Hamilton	153,500	500,828	3.26	1.82	3.84
Kingston	21,700	34,000	1.57	6.36	6.41
Kirkland Lake	14,000	1,621	0.12	0.72	0.91
Kitchener	31,252	124,792	3.99	1.60	6.30
London	73,173	534,363	7.30	2.38	2.28
Niagara Falls	18,000	772,114	42.90	4.64	1.01
North Bay	16,300	51,152	3.14	2.50	4.89
Oshawa	24,600	17,701	0.72	1.34	2.95
Ottawa	147,990	632,184	4.27	6.41	3.70
Owen Sound	12,300	5,660	0.46	1.22	1.43
Pembroke	10,075	50,289	4.99	1.14	0.56
Peterborough	22,850	22,189	0.97	1.93	0.92
Port Arthur	20,073	112,932	5.63	12.21	20.46
St. Catharines	26,192	25,583	0.98	1.60	0.38
St. Thomas	16,072	122,501	7.62	0.15	1.40
Sandwich	10,559	6,765	0.64	0.68	1.19
Sarnia	18,000	11,781	0.65	0.42	2.71
Sault Ste. Marie	23,823	149,420	6.23	5.50	8.29
Stratford	18,673	86,366	4.63	3.02	0.14
Sudbury	20,000	35,675	1.78	3.14	2.12
Timmins	16,000	29.577	1.85	6.41	1.10
Toronto	716,798	974,599	1.36	2.14	2.12
Walkerville	10,458	7,805	0.75	0.14	12.75
Welland	10,665	9,488	0.89	1.74	3.27
Windsor	61,173	39,314	0.64	1.12	1.10
Woodstock	11,163	4,379	0.39	0.57	0.63
Quebec:					
Chicoutimi	12,000	32,307	2.69	3.76	5.38
Granby	10,500	1,350	0.13	....	0.47
Hull	29,432	54,605	1.86	3.19	1.74
Joliette	11,348	14,429	1.27	10.29	2.22
Jonquiere	10,750	19,297	1.80	1.91	5.41
Lachine	18,838	125,322	6.65	1.68	3.54
Levis	11,900	22,194	1.87	0.57	5.03
Montreal	1,160,183	3,920,096	3.38	3.60	3.44
Outremont	28,000	77,021	2.75	1.54	1.34
Quebec	140,000	566,819	4.05	9.04	3.13
St. Hyacinthe	14,000	59,975	4.28	0.63	0.49
St. Jean	11,400	14,075	1.23	5.55	1.81
Shawinigan Falls	15,500	40,979	2.64	1.78	2.50
Sherbrooke	29,769	76,643	2.57	0.89	1.18
Thetford Mines	10,132	13,314	1.31	3.52	0.60
Three Rivers	40,000	130,283	3.26	3.02	2.84
Valleyfield	13,000	30,279	2.33	1.73	16.11
Verdun	60,000	75,422	1.26	0.63	0.89
Westmount	26,000	32,036	1.23	2.01	3.15
Manitoba—					
Brandon	17,619	91,860	5.21	0.58	0.79
St. Boniface	17,010	18,647	1.10	2.69	6.21
Winnipeg	218,545	366,101	1.68	4.50	3.20
Saskatchewan—					
Moose Jaw	23,000	21,600	0.94	1.75	6.20
Prince Albert	10,000	5,851	0.59	4.01	4.28
Regina	55,000	102,895	1.87	3.76	3.75
Saskatoon	45,000	107,662	2.39	6.42	1.99
Alberta—					
Calgary	89,000	299,422	3.66	4.80	2.29
Edmonton	78,829	371,176	4.71	3.62	2.67
Lethbridge	14,000	5,830	0.42	1.43	1.25
Medicine Hat	10,360	37,889	3.66	5.85	0.43
British Columbia—					
New Westminster	20,000	233,305	11.67	3.88	0.55
Vancouver	246,593	294,395	1.19	1.91	6.52
Victoria	48,000	57,282	1.19	3.38	0.56
Nova Scotia—					
Glace Bay	20,000	119,431	5.97	6.03	1.06
Halifax	65,000	147,526	2.27	2.80	3.80
Sydney	25,000	151,677	6.07	7.32	1.89
New Brunswick—					
Moncton	21,000	49,040	2.34	5.32	3.43
Saint John	55,090	155,771	2.83	53.21	4.79
Prince Edward Island—					
Charlottetown	12,381	272,871	22.04	12.51	2.38

FIRE LOSSES IN MUNICIPALITIES WITH POPULATION OF 5,000 TO 10,000

	Population 1932 No.	Total Property Loss, 1932 $	Loss per Capita 1932 $	Loss per Capita 1931 $	Loss per Capita 1930 $
Ontario—					
Barrie	8,000	29,517	3.69	7.64	1.23
Brampton	5,400	1,270	0.24	0.37	0.57
Brockville	9,656	18,699	1 94	2.43	3.23
Cobourg	5,500	9,006	1.64	1.83	3.41
Collingwood	6,500	13,258	2.04	3.39	3.22
Dundas	5,100	2,604	0.51	11.65	2.39
Eastview	6,200	14,501	2.34	0.78	1.84
Fort Frances	5,500	13,437	2.44	6.21	10.94
Hawkesbury	5,125	12,115	2.36	1.43	0.53
Ingersoll	5,000	1,719	0.34	6.43	0.47
Kenora	7,500	11,064	1.48	8.00	2.97
Leamington	5,500	8,020	1.46	2.99	1.16
Lindsay	7,200	13,108	1.82	1.07	0.34
Midland	7,000	267.900	38.27	4.62	7.72
Orillia	8.400	76,735	9.14	2.72	3.17
Penetanguishene	5,300	6,275	1.18	6.21	39.48
Port Colborne	6,004	28,529	4.75	3.01	3.71
Preston	6,500	44,210	6.80	6.67	0.53
Renfrew	5,287	23,715	4.49	6.13	1.31
Simcoe	6.000	2,597	0.43	3.72	1.25
Smiths Falls	7,500	1,150	0.15	1.45	Nil
Thorold	5,600	22,498	4.02	3.91	3.99
Trenton	6,000	14,048	2.34	2.75	12.94
Waterloo	8,967	10,257	1.14	0.46	33.24
Whitby	5,294	5,011	0.95	2.38	0.57
Quebec—					
Cap de la Madeleine	8,000	24,223	3.03	2.33	1.11
Drummondville	7,000	25,105	3.59	1.36	1.63
Grand'Mere	7,500	2,585	0.34	2.61	1.77
La Tuque	7,000	44,099	6.30	5.16	1.30
Lauzon	7,524	5,953	0.79	1.16	0.27
Longueuil	6,500	26,775	4.12	1.83	0.42
Magog	6,400	11,878	1.86	1.88	0.41
Megantic	5,125	10,114	1.97	4.67	Nil
Rimouski	5,350	8,251	1.54	0.51	0.17
Riviere du Loup	8,000	31,427	3.93	6.45	7.17
St. Jerome	9,430	8,519	0.90	3.86	1.27
St. Lambert	6.245	51,800	8.29	0.53	0.22
St. Laurent	6,300	13,325	2.12	0.24	8.67
Sorel	9,700	19,300	1.99	....	0.39
Victoriaville	6,422	61,398	9.56	0.47	0.17
Manitoba—					
Portage la Prairie	6,500	4,035	0.76	3.63	6.57
Saskatchewan—					
North Battleford	6,000	2,730	0.46	1.18	0.08
Swift Current	5,280	9,503	1.82	20.01	3.89
Weyburn	5,000	700	0.14	1.45	3.31
Yorkton	5.151	5,359	1.04	1.94	2.26
British Columbia—					
Kamloops	......	......	....	....	1.74
Kelowna	5,000	8,032	1.61	1.29	1.25
Nanaimo	9,000	57,785	6.42	1.06	13.79
Nelson	9,000	46,639	5.18	1.03	0.79
North Vancouver	9,000	11,985	1.33	2.98	0.75
Prince Rupert	6,350	44,086	6.94	1.72	4.86
Trail	7,573	2,580	0.34	1.59	0.82
Nova Scotia—					
Amherst	7,500	34,093	4.55	2.85	0.79
New Glasgow	8,000	132,286	16.54	9.90	2.59
New Waterford	9,000	25,677	2.85	0.65	0.49
North Sydney	6,000	61,882	10.32	4.42	5.48
Springhill	7,000	23,254	3.32	0.95	8.61
Stellarton	5,000	549	0.11	0.11	13.73
Sydney Mines	7,760	2,012	0.26	1.71	0.17
Truro	8,500	18,973	2.23	5.23	4.38
Yarmouth	7,000	39,739	5.68	6.08	0.44
New Brunswick—					
Campbellton	6,500	23,188	3.57	1.85	3.56
Edmundston	6,500	24,920	3.83	7.21	7.11
Fredericton	9,000	23,095	2.57	4.10	10.93

PIGS AND COWS FIRST ON LIST IN U. K. SCHEMES

(Continued from page 11)

000 cwt.; and by 1932 it had risen to 11,406,000 cwt.

It has been proposed to limit the total supply of bacon at 10,670,000 cwt. per annum for the present, the initial home quota being equivalent to the number of pigs which farmers contract to supply to the bacon factories. This will probably be in the region of 2,000,000 cwt.

As the home quota increases that of the overseas countries is to be reduced; but the progress will be by easy stages. As The Times says: "There is in this plan no suggestion of gambling with the people's food." The bacon curer is to be assured a place on a stable market for an increasing output of bacon and, in turn, he is to guarantee a price for the pigs which farmers contract to supply.

Already there has been a rise of between 12 and 15 per cent in the home price of British bacon.

Milk is Next in Line

Pigs led the procession, next came the cows. The milk marketing scheme parallels the pigs marketing scheme and covers the entire industry, including milk, butter, cheese, etc.

The British dairy producers are demanding an increasing portion of their home market, and at a definitely higher price. It has been found that some of the Dominions have been selling steadily increasing quantities of dairy and other products in the United Kingdom at steadily decreasing prices. This has been due, in some cases, to the operation of depreciated exchanges, bonus systems and selling export surpluses at a loss.

The Milk Marketing Board has determined to grapple with this matter immediately. Already Thomas Baxter, chairman of the British Milk Marketing Board, is on the water, bound for New Zealand on an official mission to explain to New Zealand farmers how seriously their competition in the cheese market is prejudicing the livelihood of the dairy farmers in Great Britain. He will request their co-operation for the voluntary restriction of cheese exports to the British market.

Each Industry Controls

Major Walter Elliot, Minister of Agriculture, is the protagonist of the new British marketing policy, and takes every opportunity in the House, on the hustings and in the press of explaining and "selling" the new policy to producers, processers and consumers throughout Great Britain.

It must be remembered that the Government is responsible only for arranging the form of these marketing schemes and giving them statutory authority. Thereafter, they are operated by each industry on a commercial basis, and not as Government departments. It is planned to operate them very economically. It is reckoned, that the total cost of the milk marketing scheme will be a fraction of a cent a gallon.

Major Elliot upholds the principle of good salaries for executive officers in order to get the best type of business executives with marketing knowledge. This slogan is—"The Best Brain For Key Positions."

Difficulties for Canada

It must be realized that it is not plain sailing for our exports into the rich market of Great Britain. There is urgent need of a Dominion export policy to ensure the orderly marketing of Canada's foodstuffs overseas. But it must not be overlooked that the British are determined to buy only from those who will buy from them, or not at all. In their slow, instinctive and stubborn way, they are adjusting their production and marketing methods accordingly.

The development of Britain's protection policy to cover agricultural products may not affect Dominion exports for some time but, it is well to note this trend and take it into consideration in the development of our national policies.

Furthermore, the two British Marketing Acts and the pigs and milk marketing schemes are chock-full of useful information based on experience with regard to sound marketing methods, which are useful contributions toward a solution of our own market problems.

Canada's Chances

The immediate opportunities for Canadian exports into the United Kingdom were never greater. The "Buy Empire" sentiment is in full flower. Many sources of foreign supply have been automatically cut off by the Ottawa agreements. What we have to do is develop a plan for distributing our goods on the British market as widely as possible and obtaining a price which is commensurate with their quality. But, in so doing, we must make allowances for the other fellow's ideas—his likes and dislikes—and adjust ourselves to meet them. International trade to be successful must give both parties an even break.

Mr. Ross-Duggan has just returned to Canada from his seventh visit to the United Kingdom and Western Europe. He made a two months survey of these territories for Canadian exports. He will write several articles on export trade possibilities for Canada.

Alternating in the series, will be topical articles on conditions in different countries visited, and articles on the marketing methods of New Zealand, Australia, South Africa, etc.

This is the fourth article in the series.

TOBACCO CROP MAY BENEFIT THROUGH NRA

(Continued from page 11)

around the 15 cent a pound mark and although this was a substantial gain over the corresponding price level for 1932, the new figure was considered so low the governors of the leading tobacco-growing states intervened on behalf of the growers and ordered the markets closed until such time as tobacco companies were prepared to pay better prices for the new crop. No agreement has been reached as yet, but a price of probably 20 cents a pound is considered possible for the United States crop as compared with a price of but 9 cents a pound in 1932.

If United States growers get twice as much this year for their crop as they received a year ago, then Canadian farmers are hopeful that a corresponding benefit may accrue to them here when the market opens this month. Other good factors are the very favorable position of sterling exchange this year as compared with 1932. Last year the depreciation of sterling in terms of Canadian dollars was roughly 15 per cent. This year sterling is virtually at parity once more.

Then there is the avowed intention of the leading British tobacco manufacturers to increase their takings of Canadian leaf even above the high figures of last seaon. Imperial Tobacco Co. of Great Britain, which last year stepped for the first time as a large-scale purchaser into the Canadian tobacco arena, has indicated that it will increase its imports to 7,000,000 lb. this year, as against 4,000,000 lb. a year ago.

Current import figures from Great Britain indicate that Canada is now supplying well over 50 per cent of all Empire tobaccos used in that country, while the proportion of Empire tobacco to total imports has risen from about 1 per cent in 1919 to almost 25 per cent during 1933.

A special report on this situation prepared recently by D. S. Cole, Canadian Trade Commissioner at Bristol, and published in a recent issue of the Commercial Intelligence Journal, confirms widely-held opinions that this trade between Canada and Great Britain will continue to expand. In summing up the result of his investigations, he says: "The increase in the consumption of Canadian tobacco in the United Kingdom within recent years appears likely to continue."

Quality is Lower

Discouraging factors in the growing of this year's crop of flue-cured tobacco are the shortness of the crop and poor quality of what has been harvested as compared with last year. Growers have just been through one of the most difficult years in history, at one time it appeared as if the entire crop in the rich Norfolk area would be a failure.

The following extracts from a report by the Tobacco Service of the Federal Department of Agriculture give an intimate picture of the conditions faced by Western Ontario growers:

"The 1933 season has been a very trying one for the Western Ontario tobacco grower. Transplanting in the spring this year was slightly later as a whole over the district than during the past few years. It is estimated that approximately 3,000 acres of flue-cured tobacco in the Norfolk district was destroyed by sand blowing during the planting period, most of which was replanted at a comparatively late date. A late frost on June 14 damaged some 500 acres in the Norfolk district. The growing season from planting until topping time was very dry as a whole with some districts suffering more than others. General rains came over the entire district during the first week in August and tobacco responded very markedly. In many districts the fertilizer had not become active this season until topping time. A second drought persisted during the last three weeks in August with the result that the crop suffered tremendously. This unusual season has resulted in a late crop which will yield light.

"A reduction in acreage of burley has occurred to the extent of at least 30 per cent as compared with 1932. The total crop this season is not estimated greater than 11,000 acres. Much of the crop is late and it is very improbable that all of the crop will be harvested before frost. However, with a good proportion harvested the total crop should not be more than 10,000,000 pounds. The dark tobacco crop is estimated at 1,300 acres of which at least 1,000 acres are being grown under contract. The dark tobacco crop is estimated at 1,300 acres of which at least 1,000 acres are being grown under contract. The darl crop has experienced a more favorable season than the burley and flue-cured and the total crop is estimated at slightly over 1,000,000 pounds."

Lumber Exports Advance

An increase of 140 per cent was shown in the export of planks and boards in August when 128,459,000 ft., valued at $2,244,914, were exported, as compared with 53,609,000 ft., valued at $970,571, in the corresponding month last year. The United Kingdom was the chief purchaser, followed by the United States, Australia and China.

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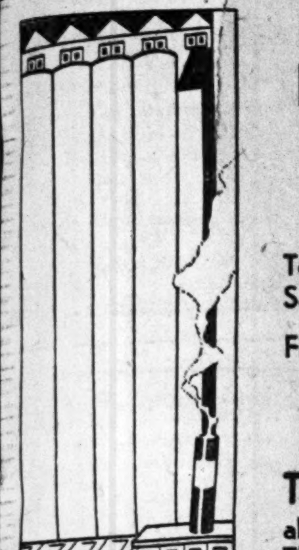

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B. C. PULP & PAPER RESUMES INTEREST ON OCTOBER 16

General Improvement in Pulp Situation Benefits Bondholders

From Our Own Correspondent

VANCOUVER. — First interest payments under the amended financing plans of the B. C. Pulp & Paper Co. will be paid October 16, as a result of the improved condition of the company's affairs, according to President Lawrence Killam.

Last May a majority of the holders of the $3,324,000 outstanding 6 per cent first mortgage bonds voted approval of modifications in the trust deed whereby semi-annual installments of interest falling due in 1933 and 1934 would be postponed to be payable in order of their maturity as and when cash available from operations should be sufficient to pay them. Sinking fund installments which fell due in 1932, 1933 and 1934 were cancelled.

Interest which fell due on the 6 per cent mortgage sinking fund gold bonds on May 1, 1933, will be paid October 16, together with interest from May 1 at 8 per cent per annum. This payment on what is known is known as Coupon A will be made on presentation of the postponed interest coupons. By a previous agreement holders of the 7 per cent general mortgage bonds due in 1950, outstanding to the amount of $1,445,400, agreed to postponement of interest until November 1, 1934, and sinking fund until November 1, 1935.

Mr. Killam reports a general improvement in the pulp situation on this coast, despite the continued low price level. Both the Woodfibre and Port Alice plants have been operated full time all this year. The spot market for pulp has moved into higher ground, but most of the company's business is on a contract basis. Increased demand is expected to bring a gradual rise in prices. Most of the B. C. Pulp & Paper Company's production goes to the Orient, although a considerable proportion goes to the United States and even Europe.

Bridge Project First Interest In Vancouver

From Our Own Correspondent

VANCOUVER. — Even surpassing interest in the political situation, Vancouver is at present very much concerned over a $6,000,000 project to bridge the Lion's Gate, or First Narrows, at the entrance to the harbor.

In some aspects the project is already well under way. British interests are financing the scheme and have completed plans and many other preliminaries. The representatives of the British financiers claim that nothing can halt the scheme now unless the Federal Government has some objection to it on the grounds of jeopardizing navigation. They are confident in their own minds that no such difficulty will arise.

However, there are two strong elements in Vancouver public opinion concerning the bridge, which, if carried to completion, would comprise one of the unique spans of the Empire and alter the whole landscape of the approach to Vancouver. One faction is strongly for the bridge and believes that it will be of tremendous economic value to the city, a spur to development of the North Shore, where the British financiers have already gone ahead with extensive subdivision development in anticipation of the bridge, and a particularly valuable enterprise at this time because of the employment it would give and the circulation of new money.

The other faction is determined that the people of Vancouver should have an opportunity of expressing their views on the question and that the city should hesitate before approving a project which might possibly interfere with the development of Vancouver's vital sea commerce.

Construction Body Forms Ten Regional Committees

Organization of regional committees has been adopted by the National Construction Council of Canada, according to an announcement made by the general secretary, I. Markus. The committees, like the council itself, are composed of representatives of the architectural, engineering, contracting, manufacturing and labor associations. They will supplement in their own territories the efforts of the national council in its immediate purpose of securing the adoption of adequate construction measures as a means of stimulating industry.

Regional committees have been set up in Saint John, N.B.; Halifax, N.S.; Quebec and Montreal, Que.; Winnipeg, Man.; Regina, Sask.; Saskatoon, Sask.; Edmonton, Alta.; Calgary, Alta.; and Vancouver, B.C. Chairmen of committees are : Saint John, John N. Flood; Halifax, Major H. E. Gates; Quebec, E. G. Brousseau; Montreal, A. F. Byers; Winnipeg, Cecil Gunn; Regina, F. H. Portnall; Saskatoon, E. J. Gilbert; Edmonton, R. M. Dingwall; Calgary, J. G. Bennett; Vancouver, Col. J. F. Keen.

Salt From the West

The first shipment of Saskatchewan salt, taken from the Simpson salt well (about eighty miles from Saskatoon) is ready for distribution. More than seven years ago a company drilled for oil and about two years ago secured a salt brine deposit.

Grain and Milling in Canada

NEED COMBINATION OF THREE EVENTS TO RAISE PRICES

Developments in Russia, Australia and Argentine Required

From Our Own Correspondent

WINNIPEG—There is one possible combination of events which might result in an upward turn in wheat prices, a combination involving Russia, Australia, and the Argentine. Russia is reported as holding out at meetings of the London Wheat Committee for an export quota this year of 90,000,000 bushels and Russian exports were being vigorously pushed during a few weeks. British and Continental observers, however, still doubt Russia's ability to spare any such quantity of wheat this year.

It is evident by this time that a good crop is being harvested in the Ukraine, a district which during the past year has suffered severely from food shortage during poor production in 1932. It also appears that the central government has increased its ability to collect wheat from farmers, at least in some areas, partly by increasing its political power over peasants and partly by an extension of collective farming. But it would still appear to be the case that Russia's food production is insufficient for the requirements of the country if any proper restoration of the livestock industry is to be attempted.

Doubt Russian Statements

The market, therefore, is inclined to doubt if the Russian government will really find it desirable to export any such quantity as 90,000,000 bushels of wheat this year and to consider that Russia's attitude on quota may be dictated by other considerations, possibly a desire to strengthen its bargaining position with United States, or to assist in maintaining its timber exports with the British market. Some lightening of pressure in Russian offerings together with the fact that Russian wheat which is coming forward appears to be of somewhat inferior quality, might provide some stimulus for buying in other quarters.

Two months or so ago the outlook for Argentine production was regarded as very poor, due to drought and the threat of grasshopper damage. Recent rains have improved the situation, but quite possibly not to the extent that has been discounted by the market, and it is quite possible that during the next few weeks a more pessimistic attitude will develop toward the possibility of Argentine production this year, and once the grasshopper season commences there is a chance of real alarm developing.

Drought Fears Past

The Australian situation is similar. During the early months of this year drought continued for so long a period as to create fears of positive disaster. These fears were relieved by rains, but it may be found during the testing time for the crop in the next two months, that actual improvement has been less in extent than was discounted by the market. Australia and the Argentine together produced last year 451,000,000 bushels of wheat; reasonable possibilities of reduction in their production this year may be said to range between 75,000,000 and 150,000,000 bushels. If the reduction is no greater than the former figure the situation would be bearish. If it reaches the latter, it would be highly bullish.

More Bullish Factors

There are possibilities of additional bullish influences developing in the Danubian Basin. Rumanian wheat is turning out to be of low quality, which, coupled with the general economic distress prevalent among the peasant population in the Danubian Basin, may make it impracticable for those countries to reach the export business of 54,000,000 bushels this year, which both earlier trade opinion and the London Wheat Agreement assigned. It is considered significant that the exports from that area have not yet reached a rate which would indicate a total export business of that extent.

A somewhat more remote influence, one which nevertheless might become important, lies in the Argentine corn crop to be produced this year. Europe has been buying heavily of Argentine corn in recent years and impairment of ability to shop new crop corn might upset the balance of use of various feed and food grains in Europe and the diversion of rye from flour manufacture to use as feed, causing some heavier demand for wheat. But some lapse of time is perhaps a bullish factor. Small as is the anticipated demand this year of importing countries, and large as is the current supply of wheat, the fact remains that world wheat production this year is likely to fall below world consumption and that at the conclusion of the current year supplies will appear less oppressive than they do at this moment.

The above considerations do not necessarily constitute bullish arguments, but they rather indicate the material out of which, if there is an improvement in wheat prices, it will arise.

MONTREAL GRANTS EXPORT ALLOWANCE

Boosting of other St. Lawrence ports as terminals for lake grain freighters has resulted in Montreal port authorities taking action to entice a greater amount of the St. Lawrence grain trade to Montreal. At a recent meeting of the Harbor Commissioners it was decided to grant exporters an allowance of three-sixteenths of one cent per bushel of grain shipped through Montreal until the close of navigation. Exporters in Montreal stated that they were satisfied with the concession and expect increased business to result.

Vancouver shipping interests are reported as being unworried by the allowance although it is expected that the point on the Prairies from which it is cheaper to ship via the St. Lawrence will be moved further west. Winnipeg opinion is that it will not affect the Hudson Bay route as the last steamer for the season is now loading there.

Bondholders Take Pacific Coast Term.

From Our Own Correspondent

VANCOUVER. — Pacific Coast Terminals, at New Westminster, has not earned sufficient to meet bond interest and the assets have passed into the hands of bondholders.

The business done by the company, however, has shown promising improvement in recent months and officers of the company are optimistic regarding the future. The company is controlled by Consolidated Mining & Smelting Co. of Canada, Ltd.

Negotiations with the holders of the $1,500,000 in 6½ per cent first mortgage bonds with a view to limitation of interest payments over a fixed period to actual earnings available proved unsuccessful and the Montreal Trust Company has taken over the assets on behalf of bondholders.

The trust company has engaged Valentine Quinn, former general manager, to carry on his duties and it is hoped that eventually the company will be turned back to the directors.

WESTERN GRAIN LOSSES GREATER INVENTORY UP

Bigger Volume Negatived By Forced Reduction in Storage Rates

After depreciation of $174,928 Western Grain Co. in the year ended July 31, 1933, showed a net loss of $161,195. In the preceding year it showed an even break after writing off depreciation of $63,901. The earned surplus as a result of last year's operations therefore dropped from $263,372 to $102,177.

CONS. INCOME AND SURPLUS ACCT.
Years Ended July 31

	1933 $	1932 $
Net earnings	202,161	265,137
Less: Bond int.†	188,428	201,236
Deprec.	174,928	63,901
Net profit	*161,195	nil
Add: Prev. surplus	263,372	263,372
Balance forward	102,177	263,372

*Loss. †Including premium on U. S. funds.

The $188,428 bond interest paid included $19,308 for United States dollar premium. The company also retired $70,000 worth of its bonds, leaving $2,789,500 outstanding. The reduced revenue of the company is attributed by C. G. Spencer, president, in report to shareholders, to the order of the Board of Grain Commissioners in November, 1932, reducing storage rates in country and terminal elevators by one-third. A larger volume of business was handled but the reduced revenue nevertheless resulted.

Smallest Crop Since 1924

Although the old rates have been restored the prospects for the current year are not improved because the crop now being harvested is the smallest since 1924 and a large number of the company's elevators in central and western Saskatchewan will be closed this season. When crop conditions warrant they will be reopened. It is stated that all possible economies have been effected. The company's properties consist of 281 country elevators, 75 coal sheds and 30 agents' cottages in the three Western provinces and a terminal elevator at Fort William of 3,250,000 bushels capacity.

Working capital, as shown in the following table reflects mainly an increase in inventories from $1,879,119 to $4,639,065:

Working Capital

	1933 $	1932 $
Current assets	4,795,185	2,073,621
Current liabilities	4,403,783	1,605,970
Working capital	391,402	467,651
Ratio	1.08—1	1.29—1

The increase in inventories referred to was naturally accompanied by an increase in bank loans from $1,360,000 to $4,115,000 in order to finance the increase. The bank loans are secured by the inventories.

Cash in bank increased in the year from $2,926 to $55,350 and cash in hands of paying agents went up from $11,793 to $27,400. Receivables were down from $35,540 to $14,493 and advances from $144,243 to $58,876. An amount of $63,506 was added to surplus as a profit arising from purchase of $210,500 bonds for sinking fund.

Preferred share dividends have not been paid since April 2, 1931.

North America Gains More of World Business

World shipments for the week ending September 25 amounted to 12,091,000 bushels as compared with shipments of 9,833,000 for the previous week and 14,200,000 for the corresponding week last year. The past week was featured by a sharp increase in clearances from North America and small increases from other exporting countries. Russia shipped 1,616,000 bushels compared with 1,552,000 for the previous week.

During the first eight weeks of the present crop year world shipments amounted to 81 million bushels compared with 71 million for the corresponding weeks last year. North American shipments have amounted to 38 million compared with 43 million last year. The present crop year has been marked by large shipments from the Argentine for this season of the year. Since August 1, the Argentine has cleared 23 million bushels of wheat compared with 6 million for the same weeks last year. Australian shipments have also been slightly heavier than last year.

FEDERAL GRAIN EARNINGS DOWN INVENTORY UP

Lower Rates in Effect Cut Profit; Depreciaiton Reserve Cut

Earnings of Federal Grain Ltd. were lower in the year ended July 31, 1933, than in the preceding year due to reduced charges in effect at country and terminal elevators. The reduction in charges, ordered by the Board of Grain Commissioners, did not permit any profit and the former scale of rates was restored at the commencement of the movement of the 1933 crop. Operating profit was down to $500,283 from $764,192 and amount provided for depreciation was practically cut in half. While bond interest and exchange was lower the company had a net profit of only $15,700, just sufficient to pay income tax of $14,955 due on the previous year.

Financial position and earnings do not warrant the resumption of preferred dividend payments, according to H. E. Sellers, president of the company. Preferred dividends are now in arrears since February 1, 1931. Income and surplus account is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended July 31

	1933 $	1932 $
Operating profit	500,283	764,192
Less: Deprec.	218,567	432,709
Bond int. & exch.	266,016	279,946
Net profit	15,700	52,537
Less: Cost of wrecking & rebuilding elevators, & losses realized	....	55,388
Organ. exp. w/o	....	8,953
Income tax	14,955	4,177
Surplus	745	†15,981
Add: Prev. surplus	466,607	482,590
Surplus forward	*467,347	*466,607

*Subject to income tax. †Loss.

The company is carrying more grain at higher prices and inventory of grain is up to $9,072,386 from $2,376,365. As a result bank loans and overdrafts, less current account balances, are up to $8,565,781 from $1,419,540. Liabilities to sundry creditors have been reduced to $533,785 from $830,690. Cash in transit is up to $50,130 from $32,918; margins deposited with Winnipeg Grain & Produce Exchange Clearing Association is shown at $140,000; advances secured by grain are up to $104,441 from $48,652 and accrued earnings are up to $117,663 from $111,702. Working capital position is as follows:

Working Capital as at July 31

	1933 $	1932 $
Current assets	9,528,793	2,673,182
Current liabilities	9,099,566	2,250,230
Working capital	429,227	422,952
Ratio	1.05—1	1.19—1

Fixed assets are carried at $7,838,086 after depreciation reserve of $854,866. Investments in stocks and bonds, as valued at July 31, 1930, with subsequent investments at cost, show no change and remain at $141,372. Bonds to the par value of $154,500 have been purchased for sinking fund and are carried at cost of $119,915. First mortgage bonds outstanding have been reduced to $3,925,500 from $4,059,000. An issue of $1,000,000 6 per cent general mortgage debentures have been issued to the banks as collateral and is payable on demand. There remain outstanding 30,000 preference shares and 200,000 common shares carried at $4,250,000.

Note: See Page 2 for information as to how a complete analysis of this company can be obtained.

BAWLF GRAIN'S PROFITS LOWER DURING 1932-33

Large Inventories and Bank Loans Feature of Report

From Our Own Correspondent

MONTREAL.—Operating conditions of N. Bawlf Grain Co. during the fiscal year ended July 31, 1933, were extremely difficult in all branches and earnings were affected during the year by the lower elevator tariffs at country and terminal elevator points.

The company's apparent operating income in 1932-33 totalled $63,897 compared with $90,672 in the previous year. These figures are based upon statements in the president's remarks, inasmuch as no income account is shown. After providing for all senior charges, including depreciation, bond interest and property adjustments, there was a deficit of $29,285 compared with a profit of $1,111 in the previous year.

Particulars of the income account follow:

	1932	1933
Oper. profit	$90,672	$63,897
Less: Deprec.	51,377	51,671
Bond interest	28,387	33,992
Prem. on exch.	7,104	
Sundry adjust.	2,693	7,519
Net profit	1,111	*29,285
Add: Prev. bal.	431,682	432,793
Bal. forward	432,793	403,508

Big Inventories—Big Loans

Balance sheet of N. Bawlf Grain Co. and the other grain firms in the West display an unusual similarity this year. Feature of the report is the marked increase in inventories—from $986,153 to $2,365,389—and in bank loans from $803,000 to $2,198,000. This is due largely to higher prices and heavier quantity inventories.

There is relatively little change in the company's investments and memberships. Country elevators, etc., are carried on the books at $1,350,147 after depreciation, or much the same as a year ago. Terminal elevator is shown at $1,306,256, or about $25,000 less than at the end of July, 1932.

Among liabilities funded debt remains unchanged, but that of the Bawlf Terminal Elevator Co. has been cut from $435,000 to $405,000.

Winnipeg Grain Prices

Week to October 3

Crop year from Aug. 1, 1933 High	Low		Open Sept. 27	High for week	Low for week	Close Oct. 3
		Wheat				
.89⅛	.59⅞	October	.62¼	.63⅞	.59⅞	.60¼
.68⅝	.60⅝	November	.64⅛	.64¼	.60⅝	.60⅝
.90⅞	.60½	December	.64⅜	.64⅝	.60½	.60⅞
.95	.65½	May	.69½	.69¾	.65½	.65¾
		Oats				
.45	.29¼	October	.32¼	.32⅝	.29¼	.30⅝
.45⅝	.30⅛	December	.32¼	.33	.30⅛	.31⅛
.48½	.33	May	.35⅝	.35¾	.33	.34
		Barley				
.55⅞	.32¾	October	.35¼	.35¾	.32¾	.33½
.56⅛	.34½	December	.37⅝	.37⅝	.34½	.34¾
.59¾	.37½	May	.41⅝	.41⅝	.37½	.38⅛
		Flax				
1.60	1.36	October	1.43	1.46⅛	1.36	1.36½
1.63½	1.35¼	December	1.46⅛	1.48	1.37½	1.37½
1.71½	1.40¾	May	1.55	1.56¼	1.45	1.45⅛
		Rye				
.62¾	.45¼	October	.52¼	.52⅞	.48⅝	.48½
.64½	.47½	December	.53¾	.54⅝	.49⅝	.49¾
.68½	.51⅝	May	.58	.58⅞	.53⅝	.53⅞

Grasshopper Plague May Reduce Acreage

Feeling That Forcible Production Cut Will Not be Necessary This Year — Suggest Warning Farmers Cut May be Made in 1935

From Our Own Correspondent

WINNIPEG.—One of the most important aspects of Prime Minister Bennett's present trip is likely to be the formulation of some policy dealing with possible restriction of wheat production in 1934. It has to be decided whether, in view of Canada's commitments, under the London wheat agreement, to restrict her exports of wheat produced in 1934, what, if any measures will be taken to restrict the seeding of wheat next spring. And if there are to be restrictive measures it has to be determined by what authority that of the Dominion or of the provinces, they are to be applied.

The subject comes up just at the time when it seems clear that natural causes, if left alone, would be likely to restrict next year's wheat production to manageable proportions, and when intensive Government action is required, not to reduce, but to maintain production. The infestation of Saskatchewan by grasshoppers is so great, and so wide-spread, with large areas in Manitoba and Alberta also affected, that it is going to take very earnest efforts, to which much Government assistance will have to be extended, to prevent wide-spread crop disaster. And in addition there will have to be extensive Government assistance, in the way of seed grain loans, to prevent the wheat acreage seeded next spring from falling below any maximum that might be conisdered desirable.

Let Nature Cure

There is no one bold enough to suggest that under these circumstances Nature might be allowed to take its course, and reduction of acreage and of crops left to natural causes. There must be, it is conceded, Government assistance to fight grasshoppers, and Government advances of seed grain. But nevertheless it is being urged upon Mr. Bennett that the situation is such as to make Government intervention, except by admonition, toward reduced production, unnecessary.

The grasshopper menace is likely in itself to reduce seeded acreage, for it is considered dangerous to undertake seeding, that is in the districts where grasshopper eggs have been most thickly laid, except on summer-fallowed land, or land plowed this fall.

Land left in stubble until next spring, on which a great deal of wheat, and the greater part of the coarse grain crop would ordinarily be seeded, may have to be left fallow, and repeatedly worked during the spring and early summer, in order to destroy eggs and kill young hoppers. Even the crops seeded on summer-fallow may have to be reduced in area by leaving large protective strips of bare land. On top of this the scarcity of feed known to exist may result in a considerable degree of switching from wheat to coarse grains or fodder crops.

Only Warning Needed

It would be proper, so it is being urged upon the Prime Minister, to warn western farmers that if, in spite of the difficulties in the way of crop production, too large a crop should be harvested in 1934, it may become necessary to limit wheat production in the following year. They might also be properly warned that there must soon be reached a limit to the ability of either the provincial Governments or that of the Dominion to extend special assistance to farmers, and that consequently it will only be prudent for farmers to accumulate on their farms, to the extent of their ability, reserves of feed and of seed grain, so that in the event of future crop failures they will be able to carry on. And it can be further urged upon them that to whatever extent their efforts can be devoted to getting their farms in better shape for the future, instead of to immediate wheat production, they will be co-operating with the Government's effort on their behalf.

There is a good deal of nervousness as to attempting anything further. Premier Bracken at a caucus the other day of his followers in the Manitoba Legislature, opened the subject of possible legislative restriction on production or marketing of wheat. Although the secrets of the caucus are guarded, enough has leaked out to show that there was violent opposition. and the Premier had to limit his efforts to getting the caucus to reserve decision until the plans of the Dominion Government are made known.

SEE SMALL RISE U. K. GRAIN PRICES IN TERMS OF GOLD

Food Research Institute Expects Smallest Movement in Years

That British wheat prices in terms of gold will probably advance moderately from the low levels of early September, but that only a moderate gain is "reasonably in prospect" is one of the conclusions drawn by the Food Research Institute of Stanford University, California in its regular survey of the world wheat situation for the period April to August, 1933.

Two outstanding facts must be borne in mind in appraisal of the price outlook, says the survey. The world, ex-Russia, as a whole does not face shortage of wheat supplies in 1933-34 despite the short crop of 1933; and total supplies are so distributed between importing and exporting countries that the international market cannot possibly assume the aspect of a sellers' market for more than a very brief period, if at all. In its broadest aspects the world statistical position of wheat remains unfavorable for the level of world wheat prices. A sustained advance of British gold prices of imported wheat as large as 30 cents a bushel during September-December seems out of the question, even in the event of severe crop damage in the Southern Hemisphere.

Small Wheat Movement

World wheat movement during the present crop year will be the smallest in decades, the survey believes and the total international trade in wheat and flour will probably not exceed 575,000,000 bushels. Of this total the Institute thinks Canada may export 225,000,000 bu. —a figure which compares with 200,000,000 bu. which is Canada's allotment under the International Wheat Agreement and with 192,000,000 bu. as estimated by Broomhall.

The general outlook for world wheat stocks in August, 1934, indicates the probability of a large reduction, the Institute points out—perhaps 200,000,000 bushels in the course of the year for the four major exporting countries. More than half of this is expected in the United States. Equally clear is the fact that barring almost complete crop failure in the Southern Hemisphere, reduction of the surplus to approximately a normal level must depend on the occurrence of at least one more short crop.

Base Metal Mine Opens

First of the base metal mines in Canada to resume operations following the recent increase in the price of lead and zinc. Base Metals Mining Corporation, at Field, B.C., has brought its entire crew into action again, and is now steadily shipping to Europe. The first shipment consisted of 2,291 tons of zinc concentrates.

YIELD ESTIMATES MAINTAINED NEAR 268,000,000 BU.

Quality of Crop Has Deteriorated, However

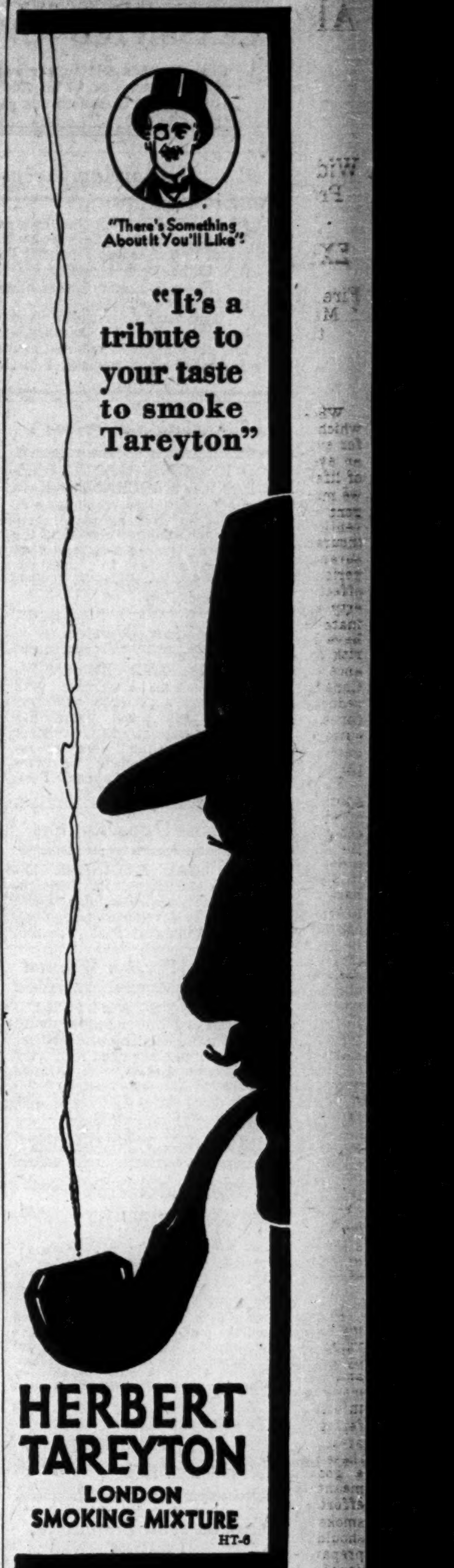
Wet weather has proven a mixed blessing to the Prairie Provinces, the deterioration of standing grains and the temporary suspension of operations being somewhat balanced by the better moisture conditions now reported from almost all sections. Yield estimates have remained fairly steady from a month ago despite reports of rain and frost damages, the W. Sanford Evans Statistical Service estimate published in the Weekly Market News placing the yield of the three provinces at September 26 at a total of 268 million bushels. Manitoba is credited with 33 millions; Saskatchewan with 130 millions; Alberta with 105 millions.

Over the whole area 62 per cent of the wheat crop is threshed, Manitoba being farthest advanced as usual with 96 per cent and fall plowing well under way. About 68 per cent is threshed in Saskatchewan and 44 per cent in Alberta. Manitoba reports 45 per cent of fall plowing completed and the other provinces about 10 per cent each.

Frost Damage

Frost damage is reported, the worst sections being Northern Saskatchewan and Alberta.

Inspections of new wheat reveal the poorer condition of some of the later harvested grains.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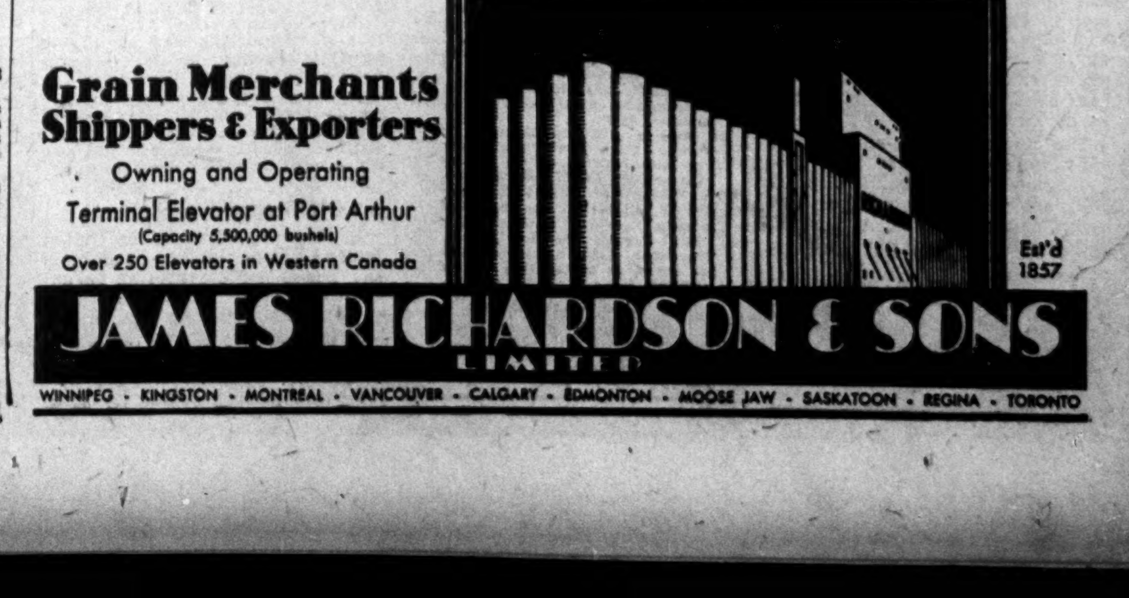
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DIVIDEND NOTICES

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a dividend of TWO DOLLARS AND TWENTY-FIVE CENTS ($2.25) per share, for the quarter ending September 30th, 1933, has been declared upon the paid-in Capital Stock of the Company, to Shareholders of record on Thursday, the 5th day of October, 1933, at 4 o'clock p.m., payable on Saturday, the 14th day of October, 1933.

By order of the Board,

PATRICK DUBEE,
Secretary.

September 28th, 1933.

Canada Iron Foundries, Limited

DIVIDEND NOTICE

Notice is hereby given that a Dividend of 1½% on the Preferred Shares of this Company has been declared for the half year ended June 30th, 1933, payable November 15th, 1933, to holders of record October 31st, 1933.

By order of the Board.

M. S. GROGAN,
Secretary-Treasurer.

Dated at Montreal,
September 29th, 1933.

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of October, 1933.

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of November to Shareholders of record of the 21st day of October, 1933.

On the Common Stock, Seventy-five Cents (75c.) per share, payable on the 15th day of November to Shareholders of record of the 6th day of November, 1933.

By Order of the Board.

C. B. Robinson,
Secretary-Treasurer.

Montreal,
September 21, 1933.

Highland Dairy, Limited

PREFERENCE DIVIDEND NO. 15

Notice is hereby given that a Dividend of $1.75 per share for the three-month period ending September 30th, 1933, being at the rate of 7% per annum, has been declared on the outstanding Preference Shares of the Company, payable on October 3rd, 1933, to shareholders of record on the register at the close of business on the 30th day of September, 1933.

By order of the Board.

M. MAYNE KENNEDY,
Secretary.

Toronto, Ontario, October 2, 1933.

Mercury Oils, Limited

NOTICE
To Shareholders

Notice is hereby given that a dividend of four cents per share has been declared upon the Common shares of the Company, issued and outstanding, payable on January 2nd, A. D. 1934, to shareholders of record at the close of business on Thursday, November 30th, A. D. 1933.

The transfer books of the Company will be closed at 5 p.m. on Thursday, November 30th, A. D. 1933, and will be reopened on Saturday, December 30th, A. D. 1933.

By Order of the Board of Directors,

CHAS. BIGGS,
Secretary.

Transfer Office,
300 Lancaster Building,
Calgary.

Handwriting Analysis

DO YOU WANT A COMPLETE knowledge of yourself and powers? Send specimen of handwriting for a thumb-nail analysis—which gives your right job, what you look like, personality, marriage affinity, faults to remedy. Fee $1. State present work. Address F. D. Jacob, P. O. Box 701, Ottawa, Ont. Well-known graphologist, heard over Radio this summer.

Verbatim Reports

BE QUOTED correctly! At every gathering where it is desirable to record accurately all that has been said, let Stenotype Service take the responsibility. Mechanical shorthand is employed to insure speedy, trustworthy verbatim reports. Conventions, club gatherings, boards of directors, political associations, etc., etc., can employ this service at all meetings with assurance of satisfaction. Fees are moderate. For further information write The Stenotype Reporting Bureau, 481 University Ave., Toronto.

Service for Investors

INDIVIDUAL investors may secure a special service on specific companies in which they are interested. Service includes detailed analyses and all newscards and revisions published on those companies during the year. Send in your list of companies. Rate—$12 a year for any 10 companies. Additional companies pro rata. Or write The Financial Post Corporation Service, 210 Dundas Street West, Toronto, for further particulars.

B. A. OIL ACQUIRES REFINERY IN WEST

Took Over Sterling Oil in Moose Jaw on October 1

From Our Own Correspondent

REGINA. — Sterling Oil Refinery, Moose Jaw, has been purchased by the British American Oil Co. for some $150,000. This price is tentative and may be altered when a complete inventory has been made. The British American Company took over on October 1. This is the first refinery to be operated by the company in Western Canada.

The present plant has an output capacity of up to 700 barrels a day and the purchasing company intends to increase it to 3,000 a day. Total holdings of the company will exceed 30 acres of land. The plant was erected in 1931. Former directors of the company were James Kennedy, Hal Berry, secretary-treasurer, Mayor Hawthorne and Alderman Harold Pope.

Work Stops at Vicour Mine Under Option to T.-Hughes

Vicour Gold Mines, owning 28 claims in the Louvicourt township, Quebec, known as the Hughes-Wettlaufer property, which has been under development by Teck-Hughes Gold Mines, has suspended development.

Under the terms of agreement Teck-Hughes had an option on purchasing controlling interest and was taking down shares as funds were made available for development purposes. No official statement has been forthcoming as to the reason for the suspension of operations.

Use Nova Scotia Pulp

A new industry will shortly be established at Hantsport, N.S., to be known as the Canadian Keyes Fibre Company. It will have an initial annual production of molded paper products of various kinds amounting to about $100,000 and will, incidentally, provide an increasing market for Nova Scotia pulp.

Railway Earnings

Week end. Sept. 30:	1933 $	1932 $	Decrease $
C. P. R. ...	3,604,000	4,760,000	1,156,000
C. N. R. ...	4,430,828	5,599,839	1,169,011

DIVIDEND NOTICES

THE Teck-Hughes Gold Mines LIMITED

(No Personal Liability)

KIRKLAND LAKE, ONT., CANADA

The Directors of this Company have declared a dividend of 15c per share, payable on Nov. 1, 1933, to shareholders of record at the close of business October 10th, 1933.

K. P. EMMONS, Treasurer.

Canadian Bronze Company Limited

Dividend Notice

THE quarterly Dividend of 1¾%, on the PREFERRED STOCK of the CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of November, 1933, to Stockholders of record as of the 20th day of October, 1933.

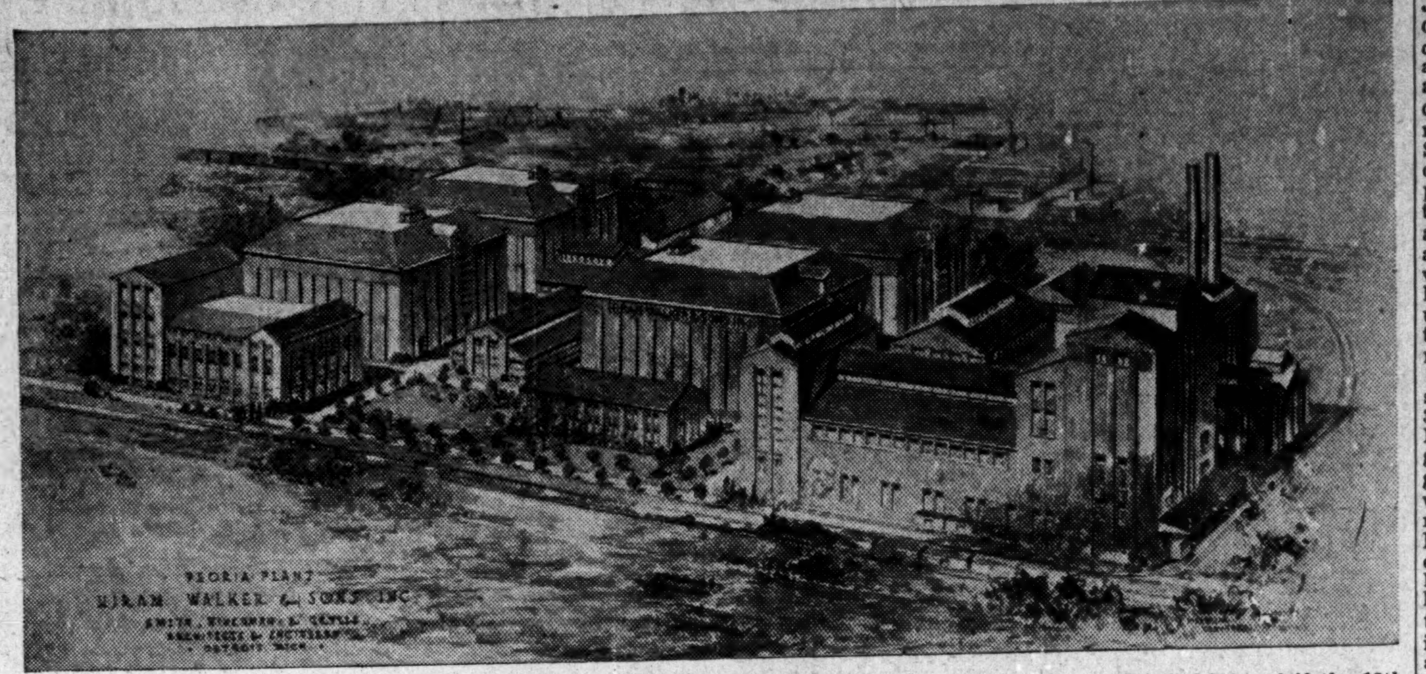
Also a quarterly Dividend of Fifteen (15c) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending October 31st, 1933. Payable the 1st day of November, 1933, to Stockholders of record as of the 20th day of October, 1933.

By Order of the Board,

W. C. PAQUETTE,
Secretary.

Montreal, P.Q.,
September 29th, 1933.

Immense New Plant of Hiram Walker & Sons, Inc., at Peoria, Ill.



Ground work is already under way in readiness for the erection of a plant at Peoria, Ill., capable of producing 100,000 wine gallons daily. The 20 acres of land on which this new distillery will stand, were chosen because of the site's strategic value from three points of view:

(1) The plant will stand on a property where an unlimited supply of excellent water admirably adapted to the company's products can be obtained, this water being obtainable at a uniform temperature of 51 deg. F. at a depth of not more than 60 or 70 feet;

(2) The plant has splendid shipping facilities by rail and water, the above picture showing more than 1,100 feet of waterfront;

(3) Peoria is located in the centre of a great grain belt which is expected to result in valuable reciprocal advantages.

Initial investment at Peoria will exceed $2,500,000 and if the 18th amendment to the U. S. constitution is repealed as expected, expenditures involving several additional millions are contemplated. Present plans alone will call for the use of 6,000,000 bushels of grain, chiefly corn and rye, each year.

It is expected that this new distillery will be completed and ready for operation early in 1934 and that it will afford regular employment to several hundred persons. Production will consist principally of rye and bourbon whiskies. The plant will be the largest single distillery in the world. The plant will be operated under the firm name of Hiram Walker & Sons Inc., the United States subsidiary of Hiram Walker-Gooderham & Worts.

RUNNING TRADES NOTIFY RAILROADS STRIKE DECISION

Majority of Men Favor Taking Action Against Wage Reduction

From Our Own Correspondent

MONTREAL.—Canadian Pacific and Canadian National Railways have been notified by the general conference committee of the railway running trades that they have been authorized by the 24,000 men employed in the capacity of engineers, firemen, conductors, trainmen and telegraphers, to call a strike as a result of the vote taken of the workers following the conclusion of negotiations with the companies resisting the imposition of an additional 10 per cent wage reduction.

Neither of the railways have anything to say on the matter, preferring to wait for further action on the part of the running trades. Ottawa also has been quiet and though reports have been appearing to the effect that the Federal Government might take a hand in the wage dispute, the Government is closely watching development but taking no active part.

Action Requires Approval

Before the chairman of the running trades can take any further action in the matter, they will require to have authorization from the grand officers of the international railroad labor unions with which they are affiliated. It is understood that the grand officers in the United States have been communicated with, and until they have discussed the situation nothing further can be done.

The important factor at the moment is the attitude of the grand officers of the five unions composing the running trades. Inasmuch as they will be required to finance the strike and pay strike wages, quite apart from their constitutional part in the matter, they will have the greatest say as to whether their Canadian brethren will declare a strike or not, and until they have indicated how they will regard the situation here nothing further can be done. The delay which will occur for a few days in the proceedings will be occasioned by this important aspect of the affair.

Support of Unions

Another important factor in the proceedings will be the support the running trades will receive from the other railroad labor unions which have cases before boards of conciliation at the present time, or pending. The running trades, with several months start of the other unions in their negotiations, have pushed matters ahead rapidly, so that now they are in the position of calling a strike while the others are still presenting their cases before boards appointed under the Industrial Disputes Act. It is probable that the running trades may defer action until the other unions have reached a more favorable position in their various disputes, so that a united front may be presented against the railway companies' demands for the reduction.

WALKER WAREHOUSES CARRY WHISKY STORES WORTH $96 PER SHARE

(Continued from page 1)

in 1917. (In addition to old whisky, the country has 10,000,000 gallons aged from one month to four years. Two-year-old stock is usually considered the minimum age for consumption.)

"Vast quantities of fine old whiskies are now leaving their native Kentucky en route to Eastern centres where they will be blended, against the fact of repeal. One reason for the hurried outflow is a proposed state tax of $1 a gallon on withdrawals. To the Kentuckian blending is immoral, is prohibited by State law.

"Under lenient permits from the Government, distilleries are speeding production. The output will not be immediately potable but must be warehoused for ageing. This is not true of alcohol to be used for gin. U. S. Industrial Alcohol, National Distillers, Fleischmann and others are busily producing gin alcohol under Government permits. Rum also can be expected to come to the celebrant's rescue if ryes and Bourbons get too high. It can be drunk soon after it is distilled, since it lacks injurious oils which must be aged out of grain distillates."

Old Ground For Walker's

In its new venture in the United States Hiram Walker-Gooderham and Worts is not venturing on unknown territory. It is well known in Canada that Hiram Walker has a history of 75 years in the manufacture of whiskies at Walkerville and that Gooderham & Worts has 100 years history behind it. It is not so generally known that, with the exception of the prohibition years, Walker's has been in United States business since 1884. Hiram Walker was himself born at East Douglas, near Boston, in 1816. He chose Walkerville rather than Detroit for the site of his great factory in 1858 because of the instability of liquor legislation at that time in the state of Michigan, because of the railway facilities then developing in Canada and his faith in the future of the Dominion. The results in Canada justified his judgment and even after reciprocity with the United States ended in the sixties he managed, against mounting tariffs in various countries, to build up a large export business in England and elsewhere.

Birth of Canadian Club

In 1884 Hiram Walker attacked the United States market with an altogether new brand of whisky which had been devised as the outcome of a thorough study of American tastes and of the types of whiskies emanating from American distilleries. This new brand was called "Canadian Club Whisky," and was made then as now of two distillates of opposite character, combined in proportions to ensure uniformity of flavor and placed in oak casks to mature for at least five years. In spite of a customs duty against its entry into the United States of 42 cents and later of 48¾ cents a bottle, and despite every effort made by competitors through political and other influence to shut it out, this became a favorite in homes of Americans who drank whisky. A "whisky war," eventuated between the manufacturers of "straight" whisky on the one side and Hiram Walker & Sons, with their "Canadian Club" on the other. The American Pure Food Law defined "straight" and "blended" whiskies in a way to favor Walker competitors, but Hiram Walker & Sons refused to subscribe to the prescription of the law on the grounds that "Canadian Club" was neither a "straight" nor a "blended," nor a "cut" whisky.

Won Whisky War

In April, 1908, without a word of warning, U. S. officials administering the Pure Food Law refused admission of "Canadian Club" whisky to the United States. Washington refused to permit orders to be filled while the case was heard. Hiram Walker appealed to the United States courts for redress. The courts, realizing that an injustice had been done, granted a temporary injunction.

Seizure of 5,898 cases was made in nine different states. The late President W. H. Taft had the solicitor-general, Lloyd Bowers, make a thorough enquiry into the whole whisky controversy. After hearing experts, chemists and pharmacists, President Taft himself rendered a decision endorsing the position of Hiram Walker and showing that competitors of Hiram Walker at that time by their process did not succeed in ridding their "straight" whisky of fusel oil, that they only dissipated the odor and modified the raw, unpleasant flavor, and that the fusel oil was still there.

During the régime of three generations of Walkers, the importance of the United States business was thoroughly understood. The new interests, that took Walker's over in 1926, were just as alive to the possibilities. They extended their interest in Canada by a merger arranged between Hiram Walker and Gooderham and Worts and invited public participation. The stock of this new company is widely distributed in Canada and the United States.

The merger with Gooderham and Worts is having its influence in determining the nature of the new venture in the United States. Hiram Walker formerly distilled only Canadian whiskies, but the business of the merged companies includes American rye, Bourbon, gins and Scotch type whisky.

The combined production capacity of the Walker plant at Walkerville and the Gooderham & Worts plant at Toronto is about 8,000,000 imperial proof gallons annually, with maturing warehouse capacity of 15,000,000 proof gallons. In addition to these Canadian plants, the company has affiliations in Scotland, where they control the well-known Scotch whisky firms of Jas. & Geo. Stodart, Ltd., and the Stirling Bonding Co. Ltd., of Glasgow.

Millions Needed in U. S.

The tremendous venture in the United States will require an initial investment at Peoria of $2,500,000, and if the 18th amendment is repealed as expected before 1934 or a little later, expenditures involving several additional millions are contemplated. Present plans indicate a requirement of approximately 6,000,000 bushels of grain, chiefly corn and rye, per year. This new distillery will be completed and ready for operation early in 1934 and will afford regular employment to several hundred persons. Production will consist principally of rye and Bourbon whisky. The plant will be the largest single distillery in the world.

Peoria is located in the centre of a great grain belt. The 20-acre site has 1,100 ft. of waterfront on the Illinois River running past the plant. Railroad tracks go around the building on three sides and the plant is over spring water of excellent quality which can be obtained in practically unlimited quantities, it is stated. Coal can be laid down at the plant for $1.60 a ton and corn for the manufacture of Bourbon will cost at the plant less than if laid down in Chicago. The management is confident that at Peoria in the United States it will, because of these three factors, have the lowest cost manufacturing plant it is possible to get. It is stated as well that in building at a time like this when labor is cheap and material costs are low, the new and modern plant will be established for much below the cost of existing plants.

Aims at Large Market

At 100,000 wine gallons a day the company will have a capacity exceeding 30,000,000 gallons a year. When liquor made is sufficiently matured officials hope that the market will be able to look after all of this. The aggregate withdrawals in the United States on payment of taxes in the year 1900 of whisky, rum, gin, brandy and alcohol, amounted to 100,270,110 gallons with 150,652,832 gallons of whisky and 268,105 gallons of gin, still remaining in bond. This had increased until in 1917 the aggregate withdrawn amounted to 164,291,294 gallons while 189,675,854 gallons of whisky and 533,065 gallons of gin still remained in bond. Under the influence of prohibition withdrawals dropped sharply and steadily after that until in 1930 an aggregate of 8,661,799 gallons of whisky, rum, gin, brandy and alcohol was withdrawn, and there remained in bond only 15,179,327 gallons of whisky and 781,191 gallons of gin.

With less than 15,000,000 gallons in storage in the United States and total stocks held in Canada by distillers of 48,000,000 gallons, of which two thirds only will be available for export, apparently there will be a shortage of matured spirits. At Walkerville the company now receives $15 a case for its whisky and there are roughly three gallons in a case. Each case holds 2 dozen 16-ounce bottles and sale in the United States would probably mean about $5 a gallon, f.o.b. Walkerville.

If the 36 states necessary to remove the 18th amendment from the United States constitution have filed formal notice with the Secretary of State by December 5, as expected, that they desire repeal, the present tax of $1.10 a gallon on medicinal liquors and the tariff of $5 will remain in force until new legislation is passed by Congress which meets on the first Monday in January, 1934. Lewis W. Douglas, director of the budget, wants a tax of $3 a gallon and the same figure as a tariff duty. It is estimated that a $3 tax or tariff would mean 75 cents a quart which would permit retail sale at $2 a quart. If United States sellers raise prices, it is predicted that there will be lots of pressure for reducing tariff. On this tax basis Walker would have to sell at $3 a quart or more to realize $5 a gallon at the plant at Walkerville. The demand for fully matured liquors by other distillers and for use in the Peoria plant is stated to make $5 net a conservative estimate, however.

Canada has 30,000,000 gallons she wants to sell, Scotland from 30,000,000 to 60,000,000 gallons, Ireland from 2,000,000 to 9,000,000 gallons, England about 4,000,000 gallons. State and Federal policies will be largely determined by the revenues expected. Senator Pat. Harrison expects $700,000,000 Federal revenue in the United States, half a million dollars of this from liquors, $200,000,000 from beer. At the same time it is realized that imposts must be low enough to enable the Government finally to squelch the bootlegger.

In 23 states liquor may be sold immediately on repeal, 11 states require legislative action and 14 states have prohibition in their constitutions. County local option is provided for throughout most of the Middle West.

The manager of the United States company, W. E. Hull, is a very active business man with long experience in public life as a representative from the Peoria district and in the distillery business before prohibition.

RUBBER BELTING

New guaranteed—6" 4 ply at 18c per foot, 5" 4 ply at 15c, 4" 4 ply at 12c, 3" 4 ply at 9c.
Write for prices on endless Thresher Belts. Tank hose and supplies.

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138 York St., Toronto.

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By the late J. P. Langley, F.C.A.

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C. P. ROBERTS, C.A.
Chartered Accountants

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Authorized Trustees and Receivers
15 WELLINGTON STREET WEST TORONTO

New Issue

200,000 Shares

UNITED DISTILLERS OF CANADA, LIMITED

Ordinary shares without nominal or par value

Transfer Agents and Registrar.......Montreal Trust Company

THE COMPANY

United Distillers of Canada, Limited was incorporated under the laws of the Dominion of Canada, and owns 100% of the outstanding capital stock of its subsidiary, United Distillers, Limited.

CAPITALIZATION

Ordinary shares (no par value) authorized 1,000,000 shares, outstanding 700,000 shares (issued in exchange for total outstanding stock of United Distillers, Limited). No funded debt.

NATURE OF BUSINESS

United Distillers, Limited (the Company's wholly owned Subsidiary), has been in successful operation for a number of years. Operations include distilling of American Ryes, American Bourbons, Canadian Ryes, London Dry Gins, blending and bottling of Scotch Whiskys.

PROPERTIES

The plant of United Distillers, Limited is well located in the industrial section of Vancouver, B.C., having water frontage and direct rail connections. It is the intention of the Company to acquire or build a number of distilleries, favorably located in other countries.

ASSETS

Land, plants, building and equipment of United Distillers, Limited, have been examined by Ford, Bacon & Davis, Engineers of New York, who, in their certificate of August 22nd, 1933, have appraised the properties, after liberal depreciations, at $648,753.

WORKING CAPITAL

As of the 31st of July, 1933, and after completion of present financing, working capital of combined companies will amount to well over $2,000,000.

INVENTORIES

Inventories of United Distillers, Limited, on hand at plant, including warehouse and bottled stock amount to 1,840,798 American proof gallons; held at other points 89,565 American proof gallons; on consignment with Provincial Government 15,144 American proof gallons, making a total of 1,945,507 gallons.

We offer these shares, subject to prior sale, for delivery, if, as and when issued, and accepted by us and subject to the approval of Counsel, at

PRICE: $6.25 PER SHARE

It is proposed to make application in due course to list these shares on the Montreal Curb Market and the New York Curb Market.

O'BRIEN & WILLIAMS

MEMBERS MONTREAL STOCK EXCHANGE
MONTREAL CURB MARKET

Telephone HArbour 7211
Cable Address "Brienbank"

Transportation Building
Montreal, Que.

All communications to
P.O. Box 2350
MONTREAL

The information contained herein is based upon statements and statistics on which we have relied in the purchase of these shares. We do not guarantee, but believe the statements made to be true.

Insurance for Buyer and Seller

PLAN CHANGE IN WESTERN CASUALTY INS.

All Lines Soon to be Handled by Western Tariff Bodies

NEW RULINGS ALSO

Companies and Agents Must Conform to Tariff Rules for All Casualty Lines to Stay in Association

Significant changes in the set-up of the casualty insurance business in Western Canada are shortly to be announced according to information given The Financial Post this week. Underwriting in the three Prairie Provinces and probably in British Columbia will be affected if present plans are brought to fruition.

Chief development is the placing of control of all "tariff" casualty business in the Prairie Provinces under the direction of the Western Canada Underwriters' Association of Winnipeg of which L. T. Chadwick is manager. Formerly this business was controlled directly from head office at Toronto, of the Canadian Casualty Underwriters' Association. Although this association will still continue in an advisory capacity as to rates and so forth, all business in Manitoba, Saskatchewan and Alberta will be placed under the jurisdiction of the Winnipeg office. Since the Winnipeg body already controls the fire and automobile insurance business as far as tariff companies are concerned, all fire and casualty matters (with the single exception of hail insurance) will now be handled at the one office for this territory.

Yet to be Ratified

No date has been fixed as to when the change will take place since the matter must be ratified at the annual meeting of the Canadian association which will be held probably in the last week of October. It is thought that the switch will occur probably at the beginning of 1934, and by that time it is expected that a similar charge will have been effected as far as the British Columbia Insurance Underwriters' Association is concerned. At present the B. C. body (in common with the Winnipeg association) controls both automobile and fire business in its territory. The contemplated change would cover all tariff casualty business now handled by the Canadian body.

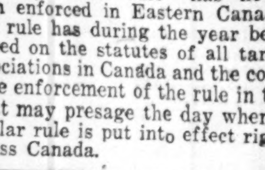
Separation Rule Extended

Side by side with the change in jurisdiction of casualty business will be the adoption of the "separation rule" by the western and B. C. associations, if present plans mature. This development is of considerable significance not only as far as the western provinces are concerned but also as affecting the future of the fire and casualty business in other parts of Canada.

The "separation" rule as it is called means simply that wherever it is enforced both companies and agencies must choose between "tariff" or a "non-tariff" affiliation, in every line of business written. The rule already applies in B. C. and the prairies for all companies or agencies affiliated with the tariff body and covers both automobile and fire insurance. Thus under existing conditions a company such as Canadian General Insurance if it wishes to write fire business as a tariff company must also conform to tariff rules and rates in the automobile field because of the existence of the "rule" in both B. C. and the Western Canada associations. In central and Eastern Canada where this rule has never been enforced, this company is free to write its fire insurance as a tariff company and at the same time to be non-tariff in its automobile and casualty insurance affiliations. The same rule applies to agencies as to companies.

Under the newly-planned arrangement all casualty lines would in future have to be written on a tariff basis if companies and agents wish to retain their tariff membership for fire and automobile underwriting. Leading firms which would be affected (since for their western business they are "tariff" for fire and automobile and "non-tariff" for casualty lines) are General Accident Canadian Indemnity and Canadian Fire, Toronto General and Canadian General. Insurance agencies through the West will be similarly affected when the new set-up is put into force.

It is noteworthy that although the "separation rule" has never been enforced in Eastern Canada, this rule has during the year been placed on the statutes of all tariff associations in Canada and the complete enforcement of the rule in the West may presage the day when a similar rule is put into effect right across Canada.



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Assets $132,198,392.72
Surplus Funds and Contingency Reserves, $11,853,105.72

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Every dollar of surplus earnings belongs to policy-holders and is either actually paid or allotted as cash dividends or held in trust for future distribution.

THE MUTUAL LIFE Assurance Company OF CANADA
HEAD OFFICE — WATERLOO, ONT.

New Reciprocal Firm In Organization Stage

Reciprocal System Attempts to Obtain Cheaper Insurance Through Reduction of Overhead Expense — Large Industrial Companies Circularized

Prominent manufacturing and industrial concerns throughout Canada have recently been circularized by Canadian Reciprocal Underwriters, an organization which proposes to begin business on December 1, 1933. This organization, the head office of which will be in Toronto, will take the place of the Canadian branch of the Associated Reciprocal Exchanges, an Ernest W. Brown, Inc., concern, which has operated in Canada for a number of years. Canadian Reciprocal Underwriters will be conducted by a committee of subscribers and will be managed by Reciprocal Managers, Ltd., of which Ernest W. Brown is president.

In its simplest form, reciprocal insurance consists merely of a series of agreements by a group of concerns to indemnify any one of the group in the event of loss through fire or other hazard as may be agreed upon, the division in the payment of loss being determined by the subscribers under the agreements. Its existence depends first on the saving that can be effected by writing only preferred business and second, on the grouping of similar risks so that mortality experience can be better gauged and full benefits given for fire prevention apparatus.

Early History

The earliest known reciprocal agreement entered into in North America was in 1881, when six dry goods merchants assembled in New York to discuss their insurance affairs. They developed a simple scheme in which each agreed to indemnify each of the others to the extent of $2,000 in the event of loss by fire. The result of these agreements was that each merchant received insurance coverage for $10,000.

It was soon apparent to the contracting parties that this simple form, properly developed, would effectively dispose of the high cost of insurance which was a major problem at that time. It only remained to interest such a number of other merchants similarly situated as would provide an underwriting base sufficient to yield adequate insurance to meet the needs of each without any one individual increasing his liability on any one risk.

First Company Formed

They thereupon set about to find eligible persons who were interested in this proposition and in due course they became known as "Individual Underwriters," the first inter-insurance exchange organized in America. The movement soon spread beyond New York to all parts of the United States and later to Canada.

Under the more modern systems of reciprocal insurance the procedure is slightly more intricate. The plan of the Ernest W. Brown group in the United States which, it is understood, will be followed by the new concern, can be briefly explained as follows:

After inspection of the property to be insured to determine eligibility—as only preferred risks are accepted—a tentative proposition is then offered outlining maximum amounts of coverage which could be accepted and the probable net cost of such insurance, based on the actual experience of the previous decade.

Unanimous approval of the advisory committee, consisting of representatives of those already insured, is then required. An agreement is then prepared under which the party to be insured gives the managers power of attorney authority to adjust losses, administer funds, etc.

An annual premium, computed at not less than the prevailing rate, is then assessed. From this amount, 25 per cent of each year's savings is returned in cash, the remaining 75 per cent being placed to the subscriber's credit in a reserve account to cover unexpected loss fluctuations. When the reserve equals five times the subscriber's own annual premium, the entire yearly saving is returned in cash. The reserve fund belongs to the subscriber and draws interest which is credited to him.

The greatest obligation which can be assumed on a single risk by a subscriber is an amount equal to one and one-half times his own annual premium except in the case of the most select groups where the amount may reach a maximum of two and a half times the annual premium.

Need Faith in Managers

There would appear to be two prerequisites of a successful reciprocal. First, an implicit faith between the subscriber and the group manager and, secondly, a thorough and complete knowledge of the power of attorney on the part of the subscriber. (It should be noted that the agreement signed by the assured gives the group manager a complete power of attorney as far as fire or other risk is concerned.)

The history of these organizations in the United States, where most of them have their origin, has been that mortality in this class of organization depends very largely on the control exercised by the state. Where there has been little or no supervision, as in Texas, some years ago, mortality has been exceedingly high. On the other hand, where adequate precautions have been taken the mortality has been no higher than in the case of stock companies or mutuals.

Lloyds' Lutine Losses Largest Ever Recorded

Lloyd's Lutine bell, which rings through the Royal Exchange the news of the loss of a vessel or the safe arrival of a ship long overdue is well known in insurance circles. The fact that the loss of the frigate, Lutine, in 1799 with over $12,000,000 in gold and silver on board is the largest marine loss ever sustained and provided Lloyd's with one of its greatest advertisements in its comparatively early years, is not generally known, however. The bell that rings in the Royal Exchange today is the ship's bell, salvaged from this wreck.

The Lutine, once the pride of the British Navy, went down near Perschelling, off the coast of Holland, during the night of October 9, 1799, with all hands save one. She was bound for Amsterdam with a cargo of gold and silver amounting to $12,000,000. When she left Yarmouth Roads on October 8 she had orders to deliver to the command of the British army, fighting at that time against the French in Northern Holland, £140,000 for pay and to proceed from there to Hamburg, where the shipment of gold and silver bars was to be deposited. At that time, Hamburg was in the throes of a financial panic and the Bank of England sent the money to support sterling and the interests of Great Britain there.

Many Salvage Attempts

Many attempts have been made to salvage the bullion from the vessel. Just a year after she went down divers succeeded in bringing to the surface gold coin worth $330,000. Drifting sand made further operations impracticable and it was not until 1821 that the next effort was undertaken. Only insignificant recoveries were made at this time.

In 1857, Lloyd's made a partly successful attempt to bring up the rich cargo. Besides a considerable amount of gold and silver coins, 46 gold bars and 64 silver bars were reclaimed, valued at $255,000. It was at this time that the rudder and the ship's bell of the Lutine was brought up. Today at Lloyd's at Leadenhall Street, London, a chair and table made from the rudder stand in the committee room at the service of routine sittings of directors. To the bell was assigned a more impressive duty. It was hung and for years has rung the joyous announcement of a missing ship's safe arrival at some port, or the melancholy news that one more ship has been lost.

Bell Tells of Loss

At the first stroke, the brokers and underwriters fall silent. Two strokes means that a long overdue vessel has turned up. But three strokes means that hope is gone for its return.

The Lutine bell's message has been with few exceptions the last word. So accurate are its announcements of ships lost that the three strokes are taken by marine and legal circles as meaning that underwriters must settle. Money owing to the crews is paid over to the heirs and wills are probated when the Lutine bell has tolled thrice.

A new attempt to salvage the Lutine with equipment designed by a German submarine officer is at present under way. The invention is said to permit the carrying out of salvaging operations in spite of quicksand. It contains two separate parts, a shaft and a cone. The whole affair is propelled by an airplane engine, which also operates a suction motor, designed to free the wreckage of sand.

Insurance Inklings

HARRY A. SCHONDELMAYER has been appointed manager of Kitchener branch of the Mutual Life Assurance Co., the territory of which has been enlarged. Mr. Schondelmayer was formerly assistant manager at Toronto, Ont.

Toronto Life Underwriters' Association will conduct a sales clinic in connection with the regular October monthly meeting. Four 15-minute talks and a 30-minute sales demonstration will be given. R. L. Clancey, C.L.U., Ontario manager of the Aetna Life and P. A. Bowen, of the industrial branch of the Metropolitan Life will be two of the speakers while H. C. Henderson of the North American and A. E. Rundle, C.L.U., also of the North American will handle the sales demonstration.

EARL LOADMAN, B.A., F.A.S., F.A.I.A., has been appointed supervisor of Conservation of the Great-West Life Assurance Co., under the direction of Eustace Brock, the company's secretary.

Canadians to Speak at American Life Meet

Addresses from two important Canadian insurance executives will be given when the twenty-eighth annual meeting of the American Life Convention is held at Chicago next week.

On Oct. 10, A. E. Pequenat, assistant general manager, Mutual Life of Canada, will address the financial section of the meeting on "Municipal and Corporate Finance."

On Oct. 12, J. F. Maine, superintendent of Industrial Agencies, London Life, will speak to the Industrial section of the convention on "Selection and Training of Industrial Life Agents."

Charles S. MacDonald, president, Confederation Life Association, is chairman of the Financial section of the convention for this year.

Licenses Issued

Rhode Island Insurance Co. has been granted a certificate of registry authorizing it to transact, in Canada, the business of automobile insurance, excluding insurance against loss by reason of bodily injury to the person, in addition to the classes for which it is already registered.

Halifax Sets Record

A new all-time August record for handling of cargo tonnage in the Port of Halifax was established last month, the Halifax Harbor Commission announces. Tonnage handled amounted to 172,376 tons, compared with 110,203 tons a year ago.

Alberta Favors Livestock

Alberta, at the time of the recent census, had, roughly, a sixth of Canada's purebred horses; a tenth of the Dominion's purebred cattle; a seventh of the sheep and a fifth of the swine.

Heads Superintendents

RALPH P. HARTLEY, K.C.

Deputy Attorney-General and acting Superintendent of Insurance of New Brunswick, who is the newly-elected head of the Association of Provincial Insurance Superintendents.

MODERN PROPERTY FIRE LOSSES SMALL

Sprinkler Systems Shown as Finest Type of Protection

No greater argument for the introduction of automatic sprinklers into office buildings, manufacturing plants, churches, schools, institutions, etc., can be obtained than is shown by the statistical records of the ten-year occupancy loss results of various types of property.

When it is remembered that a large proportion of the most valuable property in Canada is protected by automatic sprinkler systems, the fact that the aggregate fire loss in the ten-year period from 1923 to 1932 in such property is only $6,652,436 or 1.7 per cent of the total fire loss in the Dominion, is in itself significant.

Losses in mercantile properties account for the largest total with $114,000,000 or 28.4 per cent of the total loss. Aggregate loss and per cent of total loss of various classes of property are shown in the following table:

Ten-Year Occupancy Loss Record 1923-1932

Class of Property:	Aggregate Loss $	Per cent of Total Loss %
Dwellings (protected municipalities) ..	49,876,043	22.0
Dwellings (unprotected districts)	38,163,297	
Farm property	46,775,903	11.6
Mercantile proper..	114,308,481	28.4
Manufacturing risks	74,816,290	18.2
Churches, schools & Institutions	27,316,677	6.8
Miscel. property ...	44,981,065	11.3
Sprinklered property (all classes)	6,652,436	1.7
Total	402,890,192	100.0

Compulsory Motor Insurance

Brantford Expositor

At its recent convention the Ontario Municipal Association passed a resolution requesting the Provincial Government to introduce legislation requiring that every application for a motor license shall be accompanied by an insurance policy. In plain language the resolution was a demand for a compulsory insurance law. An instructive address was given on this question the other day when J. P. Bickell, registrar of motor vehicles, gave a radio talk on the subject of the financial responsibility of motorists as the law now stands. His address was really designed to be a reply to those who demanded compulsory liability insurance on the ground that it would be more effective.

Mr. Bickel cited the interesting fact that less than three-quarters of one per cent of motor accidents causing serious damage or personal injury during the three years since the law imposing financial responsibility was passed have resulted in unsatisfied judgments. In that time there have been about 25,000 accidents in which 24,000 persons were injured, and 1,500 killed. In only 196 instances have motorists failed to satisfy judgments handed down against them because of faults or errors in driving. Thus about 99.25 per cent of these cases were satisfactorily settled.

The additional information was given by the registrar that of 12,000 motorists thus suspended nearly half failed to qualify themselves to drive again so that more than 5,000 dangerous and irresponsible drivers have been banished from the streets and highways. The evidence produced by Mr. Bickell is quite convincing, and perhaps was rather unexpected. It seems to prove that the present law is working satisfactorily.

Johnston and Ward Make Executive Change

From Our Own Correspondent

MONTREAL—Johnston and Ward members of the Montreal Stock Exchange, announce the appointment of W. Wendling Anglin and Gordon N. Finlayson as manager and assistant manager, respectively, of its Montreal branch.

MacLeod and Riddell Form Brokerage House

From Our Own Correspondent

MONTREAL—Formation of a new partnership for the conduct of a stock brokerage business in Montreal known as Macleod, Riddell and Co. is announced.

CROWN LIFE
Insurance Company
ESTABLISHED 1900

SIR ROBERT L. BORDEN
President

C. W. SOMERS
Vice-President

H. R. STEPHENSON
General Manager

HOME OFFICE:
TORONTO, CANADA

October Dividend Total Will Exceed $11,806,740

Dividend payments to be made by Canadian corporations during October will total in excess of $11,806,000 as compared with $14,271,000 in September and $15,957,000 in October, 1932. Dividends not yet declared may increase the October total to some extent. The total is made up of a large number of small distributions but the large payments by such utilities as Bell Telephone Co. and Montreal Light, Heat & Power and industrials such as Canadian Industries and Dominion Textiles, mines such as Pioneer Gold and Dome Mines are chiefly responsible for the larger than average total.

Changes in dividend rate announced to date are not numerous but only one company has passed its dividend, Canada Bread Co. having passed payment of the preferred dividend due October 1. Huron & Erie Mortgage Corp. has reduced its annual dividend rate from $7 per share to $6 per share and the annual rate paid by Economic Investment Trust is reduced to 37½ cents from 75 cents. Howe Sound Co. has increased its dividend rate from 40 cents to $1 per year; Investment Foundation is paying 18 cents on account of preferred dividend arrears in addition to the regular quarterly dividend.

SUMMARY OF PAYMENTS

Dividends	$11,806,740
Bond interest	35,375,312
Total	47,182,052

DIVIDEND PAYMENTS

Company	Rate	Date	Amount
Agnew Surpass pfd. ...	1¾q	2	$ 17,035
Ajax Oil & Gas	2q	16	19,757
Assoc. Brew. pref.	1¾q	1	19,996
Bk of Nova Scotia	3q	2	360,000
Bell Telephone	1½q	16	1,155,118
Brant. Cordage 1st pfd.	50cq	15	32,733
Brazilian-Tr. pfd.	1½q	2	5,901
Brit. Amer. Oil (14) ..	20cq	2	524,528
B.C. Power "A"	50cq	16	500,000
Building Prod. "A" & "B"	25cq	2	30,211
Burt, F. N.	50cq	2	53,772
Do., pref.	$1.75q	2	1,074
Calgary Power c.	$1.50q	2	52,500
Canada Bud Brew.	15cq	16	22,500
Canada Dry	25cq	16	125,846
Can. Nor. Pwr.	20cq	25	75,000
Do., pref.	1¾q	15	96,250
Can Perm. Mtge.	2½q	2	175,000
Can. Canners 1st pf. ..	$1.50q	2	58,272
Do., 2nd pref.	5cq	2	18,186
Can. Car pref.	43cq	10	124,418
Can. Cottons pfd.	1½q	4	54,922
Can. Fairbanks pfd. ..	1½q	14	20,400
Can. Gen. Electric ...	75cq	1	141,635
Do., pref.	1¾q	1	149,760
Can. For. Inv. pfd.	2q	2	34,824
Can. Gen. Inv. (21) ..	7½cq	16	45,988
Can. Indust. A&B ..	87½cq	31	686,574
Do., pref.	1¾q	16	81,370
Can. Oil pref.	2q	2	40,000
Central Can. Loan	2q	2	50,000
Confeder. Life 20% pd.	$1q	[illegible]	10,000
Consumers' Gas	2½q	2	351,380
Crown Trust	1¾q	2	17,500
Dome Mines	25cq	20	238,333
Do., extra	25c	20	238,333
Dominion Bank	2½q	2	175,000
Dominion Glass	$1.25q	2	53,125
Do., pref.	$1.75q	2	45,500
Dominion Stores	20cq	2	34,714
Dom Textile	$1q	2	270,000
Do., pref.	1¾q	16	33,960
Eastern Steel pfd.	1¾q	2	6,874
Economic Inv. Tr. ...	18¾cs	2	7,485
Fanny Farmer A	25cq	2	24,650
Do., pref	60cq	2	9,223
Freiman, A. J., pfd. ..	1½q	2	13,920
Gen. Trust pfd	1½q	2	16,500
Goodyear Tire	60cq	2	77,178
Do., pref.	1¾q	2	127,070
Great-West Life	5q	2	50,000
Gurd, Chas., pref. ...	1¾q	2	4,550
Guar. of N. Amer.	$1½+2½	16	24,368
Hollinger Gold	5c	7	246,000
Howe Sound	25cq	15	118,447
Hunt's A & B	12½cq	2	4,208
Huron & Erie Mtg. ..	$1.50q	2	60,000
Int. Hydro-Elec pf. ..	87½cq	15	126,699
Inv. Found. pfd.	37cq	16	12,349
Do., on arrears	18c	16	4,339
Jam. Pub. Serv.	25cq	2	11,250
Do., pref.	1¾q	2	17,500
Landed Bkg. & Loan.	1½q	2	15,000
McColl-Front. pfd. ..	$1.50q	14	116,262
Mitchell, J. S. pfd. ...	1¾q	2	5,625
Mont. C & D. Bk.	$3q	2	60,000
Mont. L. H. & Pr. ...	37cq	31	1,660,902
Montreal Telegraph	2q	16	40,000
Moore Corp. 'A' pref.	$1.75q	2	57,587
Do., "B" pref.	$1.75q	2	29,359
Nat. Breweries	40cq	2	288,548
Do., pref.	44cq	2	48,840
National Trust	$2q	2	60,000
Niagara Wire Weav. pfd.	75c*	2	15,548
North Star Oil pfd. ...	8¾cq	2	17,500
Northern Ont. Pr.	50cq	25	120,007
Do., pref.	1½q	25	37,489
Ogilvie Flour c.	$2q	2	150,000
Ont. Loan & Deb.	3q	2	60,000
Ottawa L. H. & Pr ..	1½q	2	52,500
Do., pref.	1⅝q	2	24,375
Page Hersey Tubes	75cq	[illegible]	130,692
Do., pref.	1¾q	[illegible]	318
Pioneer Gold Mines B. C	15cq	2	262,762
Power Corp. pref.	1½q	16	75,000
Do., 2nd pref.	75cq	16	75,000
Porto Rico Pwr. pfd. .	$1.75q	2	17,500
Premier Gold Min.	3cq	16	150,000
Provincial Paper pfd. ..	1¾q	2	61,250
Riverside Silk "A" ...	25cq	[illegible]	7,500
Robinson Cons. Cone. .	25cq	2	12,500
Silverwoods, pfd.	1q	2	31,328
Southern Can. Pr. pfd. .	1½q	16	106,333
Standard Fuel pfd. ...	1⅝q	2	22,465
Standard Steel pfd. A.	75cq	1	7,342
Supertest Pete. A pfd.	$1.75q	2	5,843
Do., B pfd.	37½cq	2	3,000
Do., ord. & com. ..	25cq	2	27,500
Thrift Stores	10cq	1	2,000
Do., 1st pref.	1⅝q	1	5,679
Do., 2nd pref.	1¾q	1	2,100
Tip Top Tailors, pf. ..	1¾q	1	23,346
Toronto Gen. Trusts	1½q	2	45,000
Toronto Mortgage ..	$1.50q	2	29,595
Tuckett Tobacco	1¾q	14	35,000
United Securities	50cq	16	25,630
West Koot. Pr. pref. .	1¾q	2	8,750
Western Groc. pfd. ...	1¾q	15	20,899
Weston, Geo., com. ...	25cq	2	12,500
Whittall Can. pref. ..	1⅝q	2	30,875
Wright-Hargreaves ...	5cq	2	275,000
Do., extra	5c	[illegible]	275,000
Total			$11,806,740

*On arrears. q—Quarterly. S—Semi-annually.

BOND INTEREST DUE IN OCTOBER

Company	Rate	Int. Date	Due	Amount $
Amer. Salesbook ..	6	1	1939	15,315
Bay-Cumber. Prop.	6½	1	1944	7,150
Balfour Bldg.	6	1	1943	22,620
Bolivian Pr. A	8	1	1945	62,000
Booth Bldg.	6½	1	1937	19,500
Brand.-Henderson .	6	1	1936	5,088
B. C. Pulp & Pap.	6	16	1950	*99,630
Calgary Power	5	1	1960	250,000
Can. Cons. Felt ...	6	1	1940	5,850
Can. Int. Inv. Tr. .	5	1	1959	45,650
Can. Pac. Rly.	5	15	1934	500,000
Carleton House ...	6½	1	1947	1,534
Can. Nat. gtd. gold	5	1	1969	1,500,000
Can. Nor. Pac. 1st mtge.	4	2	1950	223,240
Can. Nor. Pac. 1st mtge. term	4½	2	1950	193,815
Can. Cons Rubber	6	1	1946	78,000
Devonshire Apts. ..	6½	1	Serial	12,025
Dom. Canners	6	1	1940	30,120
Dom. Tug & Barge	7	1	1947	7,875
East. Koot. Pr. A .	7	1	1942	65,135
Do., B	7	1	1942	9,975
Famous Players ..	6	1	1948	162,195
Do., debs.	6½	1	1948	91,731
Gatineau Pwr. B ..	6	1	1941	225,000
Gould Mfg. A	6	1	1942	11,130
Gt. Brit. & Can. Inv.	4½	1	1959	113,355
Hamilton Cot. A ..	5½	1	1948	23,210
Inter. Hydro-Elec. .	6	1	1944	900,000
Kensing'n Man. Ap.	7	20	Serial	2,677
Legare. P. T.	6	1	1977	21,000
McColl-Front. A ..	6	1	1949	296,400
Massey-Harris	5	15	1947	117,500
Midland Pac. Term.	6½	1	1943	13,130
Mon. L. H. & Pr. .	5	1	1951	712,950
Mont. Tram. A B D	5	1	1955	627,910
Do., C	4½	1	1955	54,339
Nat. Bis. & Conf.	6½	1	1950	5,200
National Realty ..	7	1	1945	8,750
Nor. Ont. Bldg. ..	6½	1	1939	24,212
Ogilvy Realty	5½	1	1951	84,375
Ott. Vall. Pr	5½	1	1970	247,500
Ott. L. H. & Pr. ..	5	1	1957	100,625
Pacific Burt	6½	1	1937	4,257
Railway Ex. Bldg. .	6½	1	1942	14,625
Rio de Janeiro	5	1	1953	469,220
Shawinigan D	4½	1	1970	427,567
Shawinigan A	4½	1	1967	774,787
S. Can. Pr. A	5	1	1955	150,000
Spruce Falls Pr. ..	5½	1	Serial	330,000
Tooke Bros	7	1	1942	8,666
Victoriaville Furn.	6½	1	1936	2,291
Westminster Paper	6½	1	1950	9,393
Woods Mfg.	6	1	1943	20,610
York St. Bldgs.	6	1	1943	7,521
Corporation				9,271,648
Municipal bonds				5,257,559
Provincial bonds				5,672,573
Dominion bonds				15,173,532
Total				35,375,312

* Due May 1, 1933, and postponed.

DAD'S JOB

A father's duty is not ended when, through life insurance, he has provided a capital sum for his family in the event of his death.

He should ensure its wise administration, so that the maximum income will be available during the children's dependent years.

The SUN LIFE FAMILY INCOME plan was created for this express purpose. It will guarantee:
An immediate income when it is needed.
The continuance of it while necessary.
The cessation of it when it is no longer required.

AND

A capital sum when the responsibilities and anxieties of bringing up the children are over.

Ask for the booklet A GUARANTEED FAMILY INCOME

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE-MONTREAL

PROTECTION

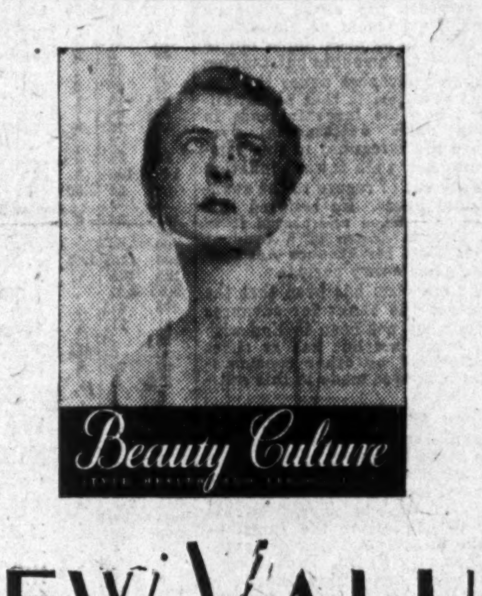
The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

Assets — $49,000,000.00

Independent Order of Foresters

FRANK E. HAND,
Supreme Chief Ranger

HEAD OFFICE: TORONTO, CAN.



NEW VALUE

for advertisers of Beauty, Style and Health Products

BEGINNING with the October 1933 Chatelaine, all articles on Beauty, Style and Health subjects will be grouped in one enlarged department, under the heading "Beauty Culture." This is a further step in the development of Chatelaine's "scientific editorial formula" similar to Chatelaine's Housekeeping department which has proved so popular with both readers and advertisers.

With this new arrangement, Chatelaine now presents to all advertisers of products pertaining to Style, Health and Beauty, the unusual opportunity of having their advertising appear along with editorial material definitely related to these products. 'New Value' is thus added to each advertisement in the increased effectiveness arising from *being seen more often* and of being seen *when the reader's mind is properly attuned to the subject.*

Chatelaine has always had the reputation of bringing in a very high percentage of returns at a relatively low cost per enquiry — particularly among advertisers using keyed advertisements on woman-appeal accounts.

This is but natural, however, in view of the distinctly feminine character of this publication. Chatelaine is not only designed for women — but for younger women who constitute a most important market for advertised products pertaining to personal attractiveness.

Chatelaine's editorial formula has been scientifically worked out to give this class of Canadian women what they want in a woman's magazine. Chatelaine therefore presents:

To its readers — a thoroughly balanced editorial programme, maintaining a leading position in smart fiction and lively articles of general interest, arranged so as to concentrate and develop greatest interest.

To its advertisers — a reader interest so intensified and localized that the effectiveness of advertising appearing in this magazine is materially increased.

TRADE BULLETIN SERVICE

IN ADDITION to the creation of Chatelaine's Beauty Culture department, a Monthly Bulletin Service covering retail trade outlets is being inaugurated. This Bulletin Service will announce ahead of publication date the products being advertised in the coming issue so that retailers can be prepared to feature the lines nationally-advertised in Chatelaine.

Chatelaine's 'New Value' offers you the means of securing the greatest possible results in advertising to the women of Canada

481 UNIVERSITY AVE. Chatelaine TORONTO—CANADA
A Magazine for Canadian Women

A. J. Pattison, Jr. & Co. LIMITED
(Established in 1907)
Unlisted Bonds and Stocks
3rd Floor, Royal Bank • Toronto, Can.

MACMILLAN, ADDIS DEPART; WORK OF COMMISSION DONE

(Continued from page 10)

maintained a process of repatriation of surplus assets elsewhere than in Canada. Net funds abroad from a total of $277,600,000 in 1926 had dropped to $11,000,000 in Canada, in 1932. Net funds abroad represented the difference between total assets abroad and total liabilities abroad. While Canadian banks were reducing their net funds abroad and various governments and municipalities were borrowing abroad, an outward flow of capital of greater proportion took place due to the fact that large sums were invested by Canadians in the New York market. The result of this outward flow was the virtual suspension of gold shipments at the end of 1928.

Cannot Influence Prices

With regard to the influence exerted by banking policy on price levels Mr. Dodds stated that commercial banks of a debtor country such as Canada cannot safely undertake to influence the movement of domestic commodity prices whether or not our dollar is stabilized in relation to the currencies of the big creditor countries. In the more normal period when Canadian currency was anchored to gold, international prices were automatically reflected in domestic prices. The operation of the gold standard even if not wholly automatic, nevertheless imposes rigid restrictions upon the movement of commodity prices particularly in a debtor country. It was emphasized that any attempt to raise domestic prices, whether the country is on or off the gold standard, by measures designed to increase materially the volume of commercial credit in use is bound to disrupt the normal economic processes in unpredictable directions and to cause disequilibria difficult to eradicate later. Extracts from the report of the committee on banking and currency, the United States House of Representatives, 1926, were given which supported the view that neither the Federal Reserve System or any other system can control prices.

Speculation Upset Gold Standard

With regard to the responsibilities of the banks in view of the departure from the gold standard and in view of the Canadian policy of returning to it, Jackson Dodds stated that the banks regarded the virtual suspension of gold shipments at the end of 1928 as being due mainly to an outflow of capital arising as a result of Canadian speculating in New York. This movement might not have taken place had excessive borrowing abroad by various public bodies in Canada not caused an oversufficiency of liquid capital in the Dominion; if Canadian issues had been placed to a greater extent in the domestic market money would not have been available for speculation in New York to the same extent.

Before attempting to return to the gold standard Canada should undertake a careful survey in order to ensure that necessary preparatory measures shall prove adequate. The first essential is the balancing of federal and provincial governmental budgets as well as those of the larger municipalities. The next step is to ensure that a fund has been accumulated abroad, or in gold at home, sufficient to provide adequate protection for the Dominion's balance of international payments during any unexpected emergency. Such a fund can be accumulated only through a series of favorable trade balances, visible and invisible. If the necessary surplus in the balance of international payments becomes available, it can be assumed that the banks will resume their historic practice of accumulating funds abroad for reserve purposes. Even when the gold standard has been restored among the great creditor countries on a firm basis some time would have to elapse before protective measures could be consummated.

Canadian Practices Successful

With regard to participation like Canada in international banking associations, S. H. Logan, general manager of the Canadian Bank of Commerce stated that most negotiations of this character to date had been directed by the Prime Minister of the Dominion or his Minister of Finance working in close co-operation and harmony with the banks. This procedure differs from that used by countries with central banks but in the case of Canada it worked very successfully during the war. As far as the financing of Canada's foreign trade is concerned, the present machinery is regarded as being entirely adequate. There is every evidence that this form of financing is capable of whatever expansion may prove necessary.

In placing Canadian issues abroad, the bank concerned is generally allied with a group of Canadian investment bankers which sponsors the issue and arranges for the necessary underwriting in the country where the loan is being floated. Any special arrangements for a revolving credit to deal with an emergency such as a runaway exchange market would be negotiated direct by, and on the credit of, the Dominion Government and the operations of this credit fund could be handled simply and effectively by the chartered banks in accordance with instructions from the Government. Generally speaking, it is felt that it would be best for Canada to avoid for the present any standing continental alliances or entanglements relating to money matters. Later as the need for closer international co-operation becomes more apparent and nations grow less reluctant to make concessions in the general interest Canada may need a representative to participate in negotiations with other countries and to express in the joint council the Canadian monetary view. The question of a representative could be arranged when necessary with but minor modifications of the machinery which now exists in Canada.

Finance Act Useful

J. A. McLeod dealt with the operation of the Finance Act as far as the banks were concerned. "The bank applies annually to the Treasury Board for credit against which it undertakes to pledge securities of the character specified by the Finance Act. These securities are lodged with the Receiver-General of Canada and the bank is thereby enabled to obtain Dominion notes whenever it requires a temporary enlargement of its cash resources. "These are normally required in Montreal which is the domicile of the central clearing fund. If, on the other hand, they should be required in Toronto or elsewhere they can immediately be made available upon telegraphic instructions from the Receiver-General in Ottawa at the office of the assistant Receiver-General in the province concerned." The procedure is simple and from the standpoint of the banks admirably convenient.

Powers of the Treasury Board, as developed in actual practice under the authority of the Finance Act of 1923 follow: 1. To authorize annually a line of credit for each bank of a certain amount of advances of Dominion notes under securities lodged by the banks. 2. To fix the rate of interest to be paid thereon. 3. To supervise generally the nature of the collateral lodged and its value for loan purposes with authority to consult the trustees of the central gold reserves if necessary as to the loan value of collateral. Advances may also be given to both chartered and savings banks in the event of war or in case of financial crisis.

Criticism Unfounded

The Finance Act is regarded as having served a useful purpose first as a precaution against panic during war years and secondly as an emergency measure during the post war period during the movement of the crop and for Government financing. Continuance of the present facilities afforded the banks under the Finance Act is justified and such continuance would be of constructive value to the Dominion.

Criticism of the Finance Act has been made to the effect that it permits an indefinite increase in the Dominion note issue. Mr. McLeod stated that this criticism overlooked the fact that a certain measure of control of the total amount of notes issued in this way actually stood by reason of the treasury board fixing the lines of credit accorded the banks although the bank itself places no obligations on the board to fix such limits nor to control the total amounts outstanding by reason of advances under the Act. A second criticism is that potentialities of a possible large increase in Dominion notes outstanding, over and above the safeguard in the Dominion Note Act, were toward inflation in currency out of regard to the country's actual needs. He believed this criticism unjustified and stated it to be the natural desire of a prudent banker to limit his Finance Act borrowings to temporary periods.

A third criticism has been that the rate charged the banks for advances thereunder has not been in line with current conditions but has at times been influenced by other considerations. No reply was made to this criticism.

Suggest Administrative Board

The banks suggest that an administrative board composed of experts in finance and currency broadly representative of business and agricultural interests in Canada should be appointed to administer the functions under the Finance Act now delegated to the Treasury Board. Such a body should be endowed with authority to see that the total amount of credit granted to the chartered banks was in keeping with the requirements of the country and that the rates charged on such advances fluctuate in accordance with current conditions. Members of the Administrative Board should be appointed for a stated term and should be free of all political bias and chosen only for their technical knowledge and equipment for the task. This suggestion is based on the assumption that the Treasury Board by reason of constitution as a committee of the cabinet is possibly not fitted to exercise the supervisory control powers that should perhaps be possessed by a body dealing with the extension of credit to the bank in the manner set out in the Finance Act.

Operate Many Branches at Loss

M. W. Wilson, general manager of the Royal Bank, dealt with the banks' note issue, the extent to which it is profitable and the effects of its discontinuance in whole or in part. He stated that the chartered banks since their establishment in Canada had had the privilege of issuing the notes and this was one of the features on which the present system is based. Benefits to be derived from the creation of a central bank would be deafly bought if they involved any weakening of the existing structure or resulted in the banks being able to give the public any less adequate banking service.

(Continued on page 19)

MESSRS. Deloitte, Plender, Haskins & Sells announce with regret the retirement of Mr. Campbell Gordon McConnell, C.A., from the firm as of September 30, 1933.

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING OCTOBER 2

Range 1933 High	Range 1933 Low	Divd. Rate in $	Yield in % Sept. 30		Sales	Close Sept. 25 (or last)	Week Ending Oct. 2 High	Low	Close
				A					
4.00	.25	.	...	Abitibi	5035	1.65	1.85	1.50	1.50
10	1	.	...	Do. pref. 6%	205	7½	6⅞	6	6¾
x80	80	.	...	Acme F. D'y p	....	..	..	..	..
8	4	.	...	Agnew Surp.	....	7	..	..	..
67	57½	7	10.4	Do. pref.	....	67	..	..	..
10	3½	.	...	Alta. Pac. Gr.	....	5½	..	..	..
40	19½	.	...	Do. pref.	55	30	20	19½	20
x3½	1½	.	...	Amal. Electric	....	..	..	..	..
10	8	.	...	Do. pref.	10	9	10	10	10
x3½	3½	.	...	Anglo. N. Hold.	....	..	..	..	..
1.00	.15	.	...	Asbestos	....	1.00	..	..	..
1.00	.50	.	...	Do. pref.	....	1.00	..	..	..
15	3½	.	...	Assoc. Brew.	85	12½	12½	12	12
85	65	7	8.2	Do. pref.	5	85	85	85	85
x3	3	.	...	Assoc. Can.	....	..	..	..	..
†69	65	.	...	Assoc. Tele.	....	..	..	..	..
				B					
155	127	10	6.9	Bk. Can. Nat.	37	146	145	144½	145
221	150	8	4.2	Bk. Montreal	56	196	195	190	194
285	228	12	4.2	Bk. N. Scotia	267	278	282	280½	281
215	151	10	5.1	Bk. Toronto	43	200	198	197½	197½
17	10	.	...	Barcelona	....	17	..	..	..
8	1	.	...	Bathurst Pr.	100	4½	4½	4½	4½
2	1	.	...	Do. (B)	5	1½	1	1	1
†26	26	.	...	Bawlf Grain	....	..	..	..	..
20	6	.	...	Do. pref.	....	9	..	..	..
7	3	.	...	Beath & Sons	....	5½	..	..	..
15	3½	.	...	Beatty Bros. A.	....	9½	..	..	..
72	53	6	8.3	Do. pref.	....	72	..	..	..
8½	4	.	...	Beauharnois	765	4½	4½	4	4½
60	50	4	6.7	Belding Cort.	....	60	..	..	..
89	85½	7	8.2	Do. pref.	....	85½	..	..	..
120½	80	6	5.5	Bell Telephone	1098	111½	111½	109	109½
9	3½	.	...	Biltmore Hats	....	6½	..	..	..
76	62	7	9.2	Do. pref.	....	76	..	..	..
4	2	.	...	Bissell, T. E.	....	2	..	..	..
†97	88	.	...	Do. pref.	....	..	..	..	..
6	1	.	...	Blue Ribbon	185	3	4½	4	4½
22½	10	2	8.9	Do. pref.	110	22½	22½	20	22½
22	18½	2	9.3	Brant. Cd. pf.	5	22	21½	21½	21½
19	7	.	...	Brazilian Tr.	29992	13	14½	13	13¾
3.85	.55	.	...	Brew. & Distil.	18660	2.45	2.50	2.30	2.40
12	½	.	...	Brewing Corp.	1780	5⅞	6	5⅛	5⅞
19	¾	.	...	Do. pref.	1565	13½	14	12½	13¼
12	10	.	...	Bright, T. G., c	50	10½	11	11	11
16	7½	80c	5.5	Brit. Amer. Oil	6637	14⅛	15	14½	14½
8	1	.	...	B. C. Packers	2165	3½	3½	2½	3
20	6	.	...	Do. pref.	106	17	15½	15	15
28	14	2	8	B. C. Power A.	595	25½	25½	21¾	25
6½	3	.	...	Do. (B)	100	5	5½	5½	5½
25	3	.	...	Bruck S. Mills	2131	20½	21½	19½	21½
21	10½	1	6.2	Building Prod.	90	16½	17	16½	16½
38½	20	2	6.3	Burt, F. N.	70	34½	34	31½	31½
				C					
x125	120	6	...	Calgary Pr.	....	..	..	..	..
9½	1½	.	...	Canada Bread	215	5	4½	4	4
75	40	.	...	Do. pref. A.	....	60	..	..	..
31	8	.	...	Do. pref. B.	....	30	..	..	..
18	5½	60c	4.8	Canada Bud	3500	13	13	12	12¾
10⅛	2¼	.	...	Canada Cement	2406	7⅞	7½	6⅛	7
45½	12	.	...	Do. pref.	308	32	33	31	31½
b41½	7½	1	3.2	Canada Dry	27600	31	32½	28⅞	29⅞
8	2	.	...	Can. Forg. (A)	....	4	..	..	..
x7½	2	.	...	Do. (B)	....	..	..	..	..
x15	15	.	...	Canada Iron	....	..	..	..	..
†80	75	3	...	Do. pref.	....	..	..	..	..
•425	405	20	4.9	Canada Life	....	405	..	..	..
40	13½	1.50	4.8	Can. Malting	1808	32½	32½	31	31½
17¾	12	80c	5.3	Can. Nor. Pr.	221	15	15½	15	15½
90	65	7	7.8	Do. pref.	52	90	90	88½	88½
.25	.05	.	...	Can. Paving	....	.10	..	..	..
10	4	.	...	Do. pref.	....	5½	..	..	..
165	120	10	6.7	Can. Perman.	14	150	150	150	150
3½	1	.	...	Can. Steamsh's	....	1	..	..	..
9½	2	.	...	Do. pref.	95	3½	4	3½	3½
26	13½	1.60	7.1	Can. Vinegars	100	22½	23½	22½	22½
30	26	.	...	Can. W. Cable	....	28½	..	..	..
15	7	.	...	Do. (B)	....	12	..	..	..
2½	2	.	...	Can. Bakeries	....	2½	..	..	..
10	5	.	...	Do. pref.	....	10	..	..	..
176	119	8	5.4	Can. Bk. Com.	587	149½	150	146½	148
25	9	60c	3.1	Can. Bronze	....	19	..	..	..
98	70	7	7.1	Do. pref.	35	97	98	98	98
10¾	2½	.	...	Can. Canners	115	7	7	6½	6½
81	48	6	7.5	Do. 1st pfd.	65	79	81	80	81
14	3⅝	20c	1.9	Do. 2nd pfd.	471	11½	11	10	10
11⅛	3	.	...	Can. Car & F'y	2122	7½	7	5⅞	6½
19½	9½	1.75	10.9	Do. pref.	392	17	16¾	15½	16
28½	6½	.	...	Can. Celanese	2095	26½	27⅞	24⅞	27½
112	70	7	6.6	Do. pref.	356	107	107	105	107
35	8	2	6.7	Can. Convert.	1	35	30	30	30
49	15	.	...	Can. Cottons	10	42	41	41	41
75	45	6	8.9	Do. pref.	75	67	67	65½	65½
22½	10	1	...	Can. Dredge	205	19	19	18¾	18¾
85½	85	7	8.2	Do. pref.	....	85½	..	..	..
80	79	6	7.5	Can. Fairb. pf.	....	80	..	..	..
9½	2	.	...	Can. For. Inv.	100	6½	6½	6½	6½
80	35	8	10.2	Do. pref.	1	78	78	78	78
140	100	3	2.1	Can. Gen. Elec.	....	140	..	..	..
60	50	3.50	6	Do. pref.	145	59	58	57	58
6½	4	.	...	Can. G. Inv. T.	....	6½	..	..	..
65	34	6	11.3	Can. Hyd. E. p	70	54	54½	52	52
40	1½	.	...	Can. Ind. Alc.	10827	18½	19½	17	17¾
39	.90	.	...	Do. (B)	1858	16½	17½	15	15½
106	75½	3.50	..	Can. Industries	....	106	..	..	..
125	125	7	..	Do. pref.	....	125	..	..	..
†5.00	3.95	.	...	Can. Int. I. Tr.	....	..	..	..	..
†70	64½	.	...	Do. pref.	....	..	..	..	..
21	21	1	4.8	Can. Lt. & Pr.	....	21	..	..	..
b3½	½	.	...	Can. Marconi	5900	3	3½	3	3½
20	6½	50c	3.6	Canadian Oil	85	14	14½	13½	14
97	79	8	8.5	Do. pref.	45	94	93½	93	93½
21⅛	9	.	...	Can. Pacific	8386	14½	14⅞	13¾	14
3	1	.	...	Can. Vickers	10	2½	2	2	2
7½	5	.	...	Do. pref.	....	7½	..	..	..
49	46	2	4.1	C. West'ghouse	....	49	..	..	..
9½	1½	20c	4	Can. Wineries	270	5½	5½	4⅞	5
9½	3	.	...	Can. Wire Box	50	8½	8	8	8
10	5½	.	...	Catelli Mac. A.	170	10	10	9½	9½
2	1	.	...	Do. (B)	....	1½	..	..	..
245	245	8	3.3	Cent. Can. L'n	....	245	..	..	..
2.35	.50	.	...	Chem. Research	33560	1.50	2.10	1.47	1.95
1.60	.20	.	...	Claude Neon	393	.50	.50	.50	.50
15½	3	.	...	Cockshutt Plow	595	8½	9	8	8
9	½	.	...	Comm. Alcohol	....	4½	..	..	..
5	1	.	...	Conduits	....	5	..	..	..
†94	84	.	...	Do. pref.	....	..	..	..	..
16½	2	.	...	Cons. Bakeries	535	11	10½	10	10
5	½	.	...	Cons. Indust.	110	1½	2	1½	1½
6⅛	1½	.	...	Cons. Paper	842	3	3	2⅞	2½
12	3	.	...	Cons. Press	25	9	9	9	9
x35	30	.	...	Cons. Sand. p.	....	..	..	..	..
144	54	10%▲		Cons. Smelters	3503	136½	139	132	134
190	170	10	5.5	Consumers' Gas	140	183	183	180	180
‡35	30	.	...	Cooksville Co.	....	..	..	..	..
‡85	85	.	...	Do. pref.	....	..	..	..	..
†20½	15	.	...	Corpor. Steel	....	..	..	..	..
‡90	90	.	...	Corr. P. Box p.	....	..	..	..	..
8	1½	.	...	Cosgrave Brew.	40	5	5½	5	5
10	2	.	...	Cosmos Imp.	135	7½	7½	7	7
60	39	3.50	7	Do. pref.	....	50	..	..	..
6½	1½	.	...	Crown Dom. Oil	150	3½	3½	3½	3½
20	8	2	...	Crow's N. Coal	....	16	..	..	..
				D					
2	1	.	...	David & Fre. B	....	1	..	..	..
5	5	.	...	Do. (A)	....	5	..	..	..
†12½	12½	.	...	De Havilland	....	..	..	..	..
19	18	.	...	Do. pref.	10	19	18	18	18
†9	5	.	...	Disher Steel	....	..	..	..	..
17	17	.	...	Do. pref.	....	17	..	..	..
52½	4	.	...	Distill-Seagram	6070	26	27½	24½	25
7	5	.	...	Dodge (A) pf.	80	7	7	7	7
2	2	.	...	Do. (B)	....	2	..	..	..
175	124	10	6.4	Dom. Bank	22	158	159	156	156
34	13½	2	7.3	Dom. Bridge	1258	28	28½	27	27
10	3½	.	...	Dom. Coal	....	8	..	..	..
•26	8	.	...	Dom. Engineer.	....	20	..	..	..
90	35	5	6	Dom. Glass	....	83	..	..	..
115	98	7	6.1	Do. pref.	....	115	..	..	..
5½	1	.	...	Dom. Motors	425	2	2	1½	1½
2⅞	¾	.	...	Dom. Pr. Stubs	....	¾	..	..	..
6	¾	.	...	Dom. St. & C B	1076	2½	2½	2½	2½
27½	12⅛	1.20	6.3	Dom. Stores	1941	21	21½	18½	19
6½	1	.	...	Dom. Tar & Ch.	500	3	2¾	2½	2¾
27	5	.	...	Do. pref.	....	20	..	..	..
69⅞	39	4	6.2	Dom. Textile	207	64½	64½	64½	64½
112½	93½	7	6.2	Do. pref.	2	112	112½	112	112
7¾	¾	.	...	Dryden Paper	765	5½	5½	5	5½
5	1	.	...	Duff. Paving	....	1¾	..	..	..
30	5	.	...	Do. pref.	55	30	30	28	30
				E					
3	3	.	...	East. Koot. Pr.	....	3	..	..	..
†97	94½	.	...	Do. pref.	....	..	..	..	..
7	1½	.	...	East Dairies	10	3½	3	3	3
14	4½	.	...	East. Steel	35	5	5	4⅞	4⅞
76	75	7	9.2	Do. pref.	....	76	..	..	..
‡34	34	2	...	East. Theatres	....	..	..	..	..
70	67	7	10	Do. pref.	....	70	..	..	..
4	1	.	...	Easy Washer	125	1½	1⅜	1½	1½
15⅞	7	37½c	..	Economic Inv.	....	15	..	..	..
†15	15	.	...	Edmonton D'y.	....	..	..	..	..
†80	78¾	6.50	..	Do. pref.	....	..	..	..	..
3	½	.	...	Enam. & Heat.	....	2½	..	..	..
19	5	.	...	Eng. Electric	200	12	12	12	12
10	1½	.	...	Do. (B)	....	10	..	..	..
				F					
15	4	.	...	Fam. Players	....	15	..	..	..
10	8	.	...	Do Vot. Tr.	....	10	..	..	..
15	8½	1	8	Fanny Farmer	....	12	..	..	..
28½	23	2.40	8.8	Do. pref.	5	27½	27½	27½	27½
†88½	75	.	...	Firstbrook Box	....	..	..	..	..
21	6	.	...	Ford Motors A	4665	13½	13½	12	12
5	1½	.	...	For. Pr. Secs.	....	3	..	..	..
10	5	.	...	Foundation Co.	....	7	..	..	..
90	90	.	...	Fr.& For.Inv. p	....	90	..	..	..
†8	5	.	...	Frost Steel	....	..	..	..	..
40	40	.	...	Do. pref.	....	40	..	..	..
				G					
6.50	.70	.	...	Gen. St. Wares	785	3.50	3.62	2.87	3.50
18	14	.	...	Do. pref.	....	14	..	..	..
114½	40	2.40	2.4	Goodyear Tire	81	108	104½	100	100
108	80	7	6.6	Do. pref.	113	105	106	105	105
†93½	93½	.	...	Gould Pumps, p.	....	..	..	..	..
3	½	.	...	Gt. W Saddlery	....	1½	..	..	..
15	5	.	...	Do. pref.	20	12	12½	11	12½
16½	4	.	...	Gurd, Chas.	175	6½	6¾	6½	6½
100	100	7	7	Do. pref.	....	100	..	..	..
7½	1½	.	...	Gypsum, Lime	1063	4	4	3½	3½
				H					
12	2½	.	...	Ham. Bridge	625	7½	7½	6⅞	7½
40	34	.	...	Do. pref.	....	34	..	..	..
13½	4	.	...	Ham. Cot. pf.	....	12	..	..	..
5	1½	.	...	Ham. U. Theat.	....	2	..	..	..
60	46	7	...	Do. pref.	....	60	..	..	..
‡150	50	.	...	Hillcrest Coll.	....	..	..	..	..
‡91	91	.	...	Do. pref.	....	..	..	..	..
8	2	.	...	Hinde & Dauch	....	5¾	..	..	..
†75	75	.	...	Holt Renfrew	....	..	..	..	..
‡96½	90	.	...	Do. pref.	....	..	..	..	..
3½	½	.	...	Honey Dew	300	1	1	.95	1
17	5	.	...	Do. pref.	....	7	..	..	..
9¾	1½	.	...	H. Smith Pap.	305	6½	6½	6	6
40½	8	.	...	Do. pref.	10	37	37	37	37
25	14½	2	8	Humberstone S	10	24½	25	25	25
14	4½	50c	4.5	Hunt (A)	....	11	..	..	..
10	5	50c	5.6	Do. (B)	....	8¾	..	..	..
102	77	6	6.9	Huron & E. M.	....	..	8½	..	..
18	12½	.	...	Do. 20% pd.	....	15½	..	..	..
10	6	.	...	Hydro-Electric	....	10	..	..	..
				I					
185	123	10	6.2	Imperial Bank	17	161	160	160	160
16	7½	50c	3.7	Imperial Oil	8589	14	14½	13½	13½
11⅛	7	35c•	3.1	Imperial Tob.	630	11	11⅛	11	11
17	17	.	...	Int. City Bak.	5	17	17	17	17
†80	80	8	...	Inter. Coal, p.	....	..	..	..	..
b13½	2½	.	...	Int. Hyd. E. A.	4300	6	6½	5½	5½
105	98	7	7.1	Inter. Mill. pf.	10	100½	99	99	99
90	84	6	6.7	Do. Series A	....	90	..	..	..
23.25	8.00	.	...	Inter. Nickel	68364	20.50	20.85	19.00	20.40
x4	4	.	...	Inter. Paints	....	..	..	..	..
b10	¾	.	...	Int. P. & P. A	1200	5½	5½	4½	4½
b5⅜	¾	.	...	Do. (B)	1300	2½	2⅜	2	2½
b4	¾	.	...	Do. (C)	2700	1½	2	1⅜	1½
b22½	2	.	...	Do. pref.	4200	13	11½	9⅞	9⅞
20¾	10½	1	5.2	Inter. Pete.	7549	19	19⅞	18⅞	19½
5	2½	.	...	Inter. Power	2	3	3	3	3
24	8	.	...	Do. pref.	....	18¾	..	..	..
13½	5⅜	.	...	Int. Util. (A)	5	6	6	6	6
4⅛	1	.	...	Do (B)	925	1½	2	1	2
				J					
†40	40	1	...	Jam. Pub. Ser.	....	..	..	..	..
90	70	7	7.8	Do. pref.	15	89½	90	90	90
				K					
7½	¾	.	...	Kelvinator	160	4½	4	3	4
80	55	7	8.7	Do. pref.	20	75	80	80	80
				L					
18½	5	.	...	Lake of Woods	625	11⅞	13¾	13	13
70	50	.	...	Do. pref.	....	54	..	..	..
85	80	6	7.5	Landed Bank.	2	85	80	80	80
25	25	.	...	Langley's pfd.	10	25	25	25	25
48½	36	3	6.2	Laura Secord	40	48	48	47½	48
7	1½	.	...	Lindsay, C. W.	....	7	..	..	..
35	25	.	...	Do. pref.	17	35	35	35	35
21½	10½	80c	5.4	Loblaw (A)	1145	14⅞	15	14½	14¾
21	10½	80c	5.5	Do. (B)	40	14⅞	14½	14½	14½
				M					
7	2	.	...	MacKin. Steel	20	3½	7	7	7
†95	90	.	...	Do. pref.	....	..	..	..	..
3½	3½	.	...	Manitoba Pr.	....	3½	..	..	..
10¾	3	.	...	Maple Leaf	....	4½	..	..	..
25	5	.	...	Do. pref.	....	16	..	..	..
6	6	.	...	Marcus Loew's	....	6	..	..	..
65	35	.	...	Do. pref.	34	60	65	60	60
12	2⅞	.	...	Massey-Harris	2923	5⅛	5	4½	5
15	7	60c	5	McColl-Fron.	1840	12	12½	11¾	12
82	54½	6	8	Do. pref.	116	75	75	74	75
27	9½	.	...	Melchers (A)	695	13½	14½	13	13
14	7¾	.	...	Do. (B)	260	9	9	9	9
†45	35	.	...	Mexican L & P	....	..	..	..	..
‡35	35	.	...	Mercury Mills	....	..	..	..	..
‡89	58½	.	...	Do. pref.	....	..	..	..	..
†40½	40	.	...	Mitchell, J. S.	....	..	..	..	..
x105	105	7	...	Do. pref.	....	..	..	..	..
17½	2	.	...	Mitchell, Robt.	60	9¾	9	9	9
†1	1	.	...	Monarch Knit.	....	..	..	..	..
50	20	.	...	Do. pref.	....	49	..	..	..
28	18	.	...	Montreal Cot.	....	28	..	..	..
75	50	7	11.5	Do. pref.	20	75	61	60	60
½	¼	.	...	Montreal Exhib.	....	½	..	..	..
x11	5	.	...	Mont. Is. Pr.	....	..	..	..	..
42½	26½	1.50	4.3	Mont. L. & P.	4034	36	36	35	35
42	39	3+.25	8.1	Montreal Loan	....	40	..	..	..
47	39	3.20	6.8	Montreal Tele.	46	46	47	47	47
106	70	9	8.6	Montreal Tram	140	100	105	99	105
17¾	4	.	...	Moore Corp	80	13⅛	13½	12½	12½
107	65	7	7.1	Do. pref. A.	50	99	99	99	99
125	70	7	6.7	Do. pref. B.	10	110	104	104	104
‡10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
‡49	49	.	...	Do. pref.	....	..	..	..	..
4	½	.	...	Muirheads	....	1	..	..	..
7	5	.	...	Do. pref.	27	6½	6	6	6
				N					
29½	14½	1.60	6	Nat. Breweries	1197	26½	27	26	26½
32	27	1.75	5.6	Do. pref.	....	31½	..	..	..
100	85	.	...	N. Groc. 2nd p	....	90	..	..	..
22	14	2.40	16	N. Sew. Pipe A	70	15	15	15	15
18½	5½	.	...	Nat. Steel Car	235	13½	13½	13	13
212	165	8	4	National Tr.	....	200	..	..	..
x10	10	.	...	Niag. W. Weav	....	..	..	..	..
16½	16	75c§	..	Do. pref.	....	16	..	..	..
5	½	.	...	North Star Oil	....	2½	..	..	..
4½	1¾	35c	..	Do. pref.	70	2½	2½	2½	2½
‡25	25	.	...	N.S. Steel, pf.	....	..	..	..	..
				O					
211	100	8	4.3	Ogilvie Flour	51	190	187	186½	186½
125	108	7	5.6	Do. pref.	....	125	..	..	..
12	4	.	...	Ont. Eq. 10% p	40	10	11	10	10
105	98	6	6	Ontario Loan	....	100	..	..	..
9	4	.	...	Ont. Silknit	200	6	6	6	6
45	28	.	...	Do. pref.	18	45	30	28	30
6½	4½	.	...	Ont. Steel	....	6⅛	..	..	..
†105	105	.	...	Do. pref.	....	..	..	..	..
2⅛	⅛	.	...	Orange Crush	....	½	..	..	..
14	5	.	...	Do. (A)	....	11	..	..	..
3½	½	.	...	Do. (B)	....	1½	..	..	..
92	80	6	6.8	Ott. L. H. & P.	1	88	88	88	88
98	84	6.50	7	Do. pref.	10	92	93	93	93
8	5	.	...	Ott. Traction	....	5	..	..	..
				P					
70½	40	3	4.8	Page Hersey	120	64½	65	63	63
18	18	.	...	Paton Mfg.	....	18	..	..	..
92½	90	7	7.6	Do. pref.	....	92½	..	..	..
47	20	3	6.8	Penmans	5	42	44	44	44
82	65	6	7.3	Do. pref.	....	82	..	..	..
16½	8	.	...	Photo Eng.	175	15	15	14	14½
†70	64	7	...	Porto Rico P. p	....	..	..	..	..
b40½	4	.	...	Postal Tele. p.	....	..	..	..	..
15¾	6	.	...	Power Corp.	420	7½	8	7½	7¾
62	26	6	13	Do. pref.	30	60	46	45	46
3½	¾	.	...	Prairie C. Oil.	....	2	..	..	..
26	8	.	...	Pressed Metals	390	19	20½	18	18
4.62	.95	.	...	Price Bros.	1735	1.00	1.00	.95	.95
13	3	.	...	Do. pref.	66	3	3	3	3
				Q					
24	11	1	64	Quebec Power	595	16	16	15	15
				R					
95	85	5	5.9	Real Estate L'n	....	85	..	..	..
5½	½	.	...	Regent Knit.	75	3½	3½	3	3
6	5	.	...	Reliance Grain	....	5	..	..	..
19	7	1	5.3	River S. Mills	5	19	19	19	19
14	5	1	10	Robinson Cone.	10	10	10	10	10
4	¾	.	...	Rogers Majest.	145	2¾	3	2	3
183	123	8	5.1	Royal Bank	144	157	158	155	156
†84	75	.	...	Ruddy, E. L. p	....	..	..	..	..
20	20	.	...	Russell Motor	30	20	20	20	20
45	28	4	11.4	Do. pref.	20	40	35	35	35
				S					
x4	3	.	...	Sarnia Br. A.	....	..	..	..	..
2	1½	.	...	Do. (B)	....	2	..	..	..
11½	2½	.	...	Serv. Station	35	8	8	8	8
48	16	.	...	Do. pref.	10	38	35	35	35
22½	9½	50c	2.9	Shawinigan	2777	18	17½	16½	17
17½	4	.	...	Sher.-Wms.	50	12	12	10	10
75	39	.	...	Do. pref.	....	70	..	..	..
9	4	.	...	Simon & Son	25	5½	5½	5½	5½
61	50	.	...	Do. pref.	10	55	55	55	55
52	6	.	...	Simpson, Ltd.	49	33	32⅞	31	32⅞
5	5	.	...	Do. (A)	....	5	..	..	..
6½	1	.	...	Do. (B)	....	4	..	..	..
85	46½	6	8	Simpson, R., p.	10	76	75	75	75
19½	12	80c	5.3	So. Can. Pr.	....	14½	..	..	..
91	68	6	6.9	Do. pref.	29	90	86	85	86
5.87	.15	.	...	St. Law. Corp.	1680	3.25	3.00	2.50	2.50
12½	1	.	...	Do. (A)	40	7	6½	6	6
56	15	1.50	2.7	St. Law. Flour	....	56	..	..	..
100	92	7	7	Do. pref.	....	100	..	..	..
25	2½	.	...	St. Law. Pap. p	506	16	16	14½	16
13	4	.	...	Stand. Chem.	....	7	..	..	..
6	¾	.	...	St. Pav. & Mat.	125	2½	3	3	3
25	16	.	...	Do. pref.	....	21	..	..	..
19½	1	.	...	Stand. Steel	2595	12	12	8¾	10½
47	47	.	...	Do. pref.	....	47	..	..	..
33	14½	1.20	4.4	Steel of Can.	618	28	28½	27	27½
34	24½	1.75	5.5	Do. pref.	104	31	32	31	32
6	1	.	...	Sterling Coal	....	6	..	..	..
10½	6	.	...	Stop & Shop	....	6	..	..	..
•495	385	.	...	Sun Life Ass.	....	493	..	..	..
22½	11	1	5.6	Sup. Pete. ord.	190	18	18	17½	18
19	11½	1	5.4	Do. com.	....	18	..	..	..
99	90	7	7.1	Do. pref.	....	99	..	..	..
				T					
40	40	.	...	Tamblyn	....	40	..	..	..
95	79	7	8.7	Do. pref.	....	80	..	..	..
20	10	■87½c	...	Thayers, pfd.	....	20	..	..	..
14	7¾	40c	3.3	Thrift Stores	415	11½	13	11½	13
30	21	1.62½	6.5	Do. pref.	55	26	25½	25	25½
12	1	.	...	Tip Top Tailors	....	8	..	..	..
16½	12½	.	...	Do. pref.	70	65	65	60	60
†22	10	.	...	Tooke Bros.	....	..	..	..	..
16½	12½	.	...	Do. pref.	....	16½	..	..	..
27	12½	1	...	Tor. Elevators	80	20	23	18	23
167	138	6	4.1	Tor. Gen. Tr.	....	147	..	..	..
100	90	6	6.3	Toronto Mtge.	....	95	..	..	..
2⅝	¾	.	...	Traymore	2595	2	2⅝	2	2⅝
5	½	.	...	Do. pref.	10	1½	5	2½	5
120	107	7	5.8	Tuckett Tob. p.	25	116	120	115	115
4	1	.	...	Twin City	....	3½	..	..	..
b15	5½	.	...	Do. pref.	....	..	..	..	..
				U					
7¾	2½	.	...	Union Gas	1055	4	4½	3½	3½
40	30	.	...	Union Trust	13	30	30	30	30
†8	8	.	...	United Fuel	....	..	..	..	..
17½	4½	.	...	Do. pref.	10	5	5	5	5
8	7	.	...	Un. Amuse. A.	....	8	..	..	..
7½	7½	.	...	Do. (B)	....	7½	..	..	..
30	19½	2	7.7	United Secs.	....	26	..	..	..
				V					
7	2	.	...	Viau Biscuit	....	4	..	..	..
40	29	.	...	Do. pref.	40	40	29	29	29
				W					
18½	4	.	...	Wabasso Cot.	255	14	15	14½	14½
68	4	.	...	Walker-Good.	22147	44½	46½	41¾	43
18½	9½	1	6.7	Do. pref.	5290	15	15½	14⅞	15
8	1½	.	...	Waterloo Mfg.	55	3½	3½	2½	2½
x80	75	7	...	W. Koot. Pr. p	....	..	..	..	..
18	4	.	...	West. C. Flour	10	10	9½	9½	9½
70	45	3	6	Do. pref.	....	47½	..	..	..
24	8	.	...	West. Grocers	5	23	24	24	24
85	54	7	8.3	Do. pref.	....	84	..	..	..
†91	85	.	...	W. Steel Pr. p	....	..	..	..	..
59½	16½	1	1.8	Weston Ltd.	530	55	56	52½	53
88	67	7	7.9	Do. pref.	....	88	..	..	..
5	3½	.	...	Whittall Can	....	3¾	..	..	..
50	30	6.50	..	Do. pref.	....	40	..	..	..
5	3	.	...	Windsor Hotel	....	3	..	..	..
12	5	.	...	Do. pref.	15	8	5	5	5
5½	1	.	...	Winnipeg Elec.	505	2½	2½	2	2
10¾	3½	.	...	Do. pref.	....	5	..	..	..
18	7	.	...	Woods Mfg. p.	....	18	..	..	..
				Z					
1½	1½	.	...	Zimmerknit, c.	12	..	1½	1½	1½

x Quotations for 1932. No sales recorded in 1933 to date.
† Quotations for 1931.
‡ Quotations for 1930.
b New York Quotations.
▲ Stock dividend.
• Plus final dividend of 17½c. paid Mar. 31.
■ Covers payment due Jan. 3 last and deferred; paid Mar. 15.
° See "Unlisted Stocks" also.
§ On arrears.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Ajax Oil & Gas	8c	2c	Oct. 16	Sept. 30
Brantford Cordage, 1st pfd.	$2	50c	Oct. 15	Sept. 20
Belding Corticelli c.	$4	$1	Nov. 1	Oct. 14
B. C. Power "A"	$2	50c	Oct. 16	Sept. 30
Bell Telephone Co.	6%	1½%	Oct. 16	Sept. 23
Canada Nor. Power	80c	20c	Oct. 25	Sept. 30
Do., pref	7%	1¾%	Oct. 16	Sept. 30
Canadian Car, pref.	$1.75	43c	Oct. 10	Sept. 25
Can. Gen. Invest. (No. 21)	30c	7½c	Oct. 16	Sept. 30
Canada Bud Brew.	60c	15c	Oct. 16	Sept. 30
Canada Dry	$1	25c	Oct. 16	Oct. 2
Can. Fairbanks pfd.	6%	1½%	Oct. 14	Sept. 30
Can. Westinghouse	$2	50c	Oct. 2	Sept. 20
Can. Industries pfd.	$7	$1.75	Oct. 16	Sept. 30
Do., "A" & "B"	$3.50	87½c	Oct. 31	Sept. 30
Canadian Bronze	60c	15c	Nov. 1	Oct. 20
Do., pref.	$7	$1.75	Nov. 1	Oct. 20
Canada Iron pref.	3%	1½%	Nov. 15	Oct. 31
Canada Life	$20	$5	Oct. 2	Sept. 30
Canada Packers pref.	$7	$1.75	Oct. 2	Sept. 16
Do., on arrears	...	$3.50	Oct. 2	Sept. 16
Dome Mines	$1	25c	Oct. 20	Sept. 30
Do., extra	...	25c	Oct. 20	Sept. 30
Dominion Bridge	$2	50c	Nov. 15	Oct. 31
Dominion Textiles pfd.	7%	1¾%	Oct. 16	Sept. 30
Dominion Rubber pref.	7%	1¾%	Oct. 16	Oct. 10
Eastern Twps. Tele. c.	72c	36c	Oct. 15	Sept. 30
Edmonton C. Dairy pfd.	6½%	1⅝%	Oct. 2	Sept. 15
Guar. Co. of N.A.	$6	$1.50	Oct. 16	Sept. 30
Do., extra	$10	$2.50	Oct. 16	Sept. 30
Hollinger Gold	65c	5c	Oct. 7	Sept. 22
Highland Dairy pref.	$7	$1.75	Oct. 3	Sept. 30
Howe Sound	$1	25c	Oct. 15	Sept. 30
Inter. Nickel, pref.	7%	1¾%	Nov. 1	Oct. 2
Inter. Hydro-Elec. pfd.	$3.50	87½c	Oct. 15	Sept. 25
Invest. Foundation pfd.	$1.50	37c	Oct. 16	Sept. 30
Do., extra on arrears	...	13c	Oct. 16	Sept. 30
Imperial Bank	10%	2½%	Nov. 1	Sept. 30
Imperial Life	$15	$3.75	Oct. 2	Sept. 30
Mercury Oils	...	4c	Jan. 2	Nov. 30
Montreal Tramways	$9	$2.25	Oct. 14	Oct. 5
Montreal L. H. & Pr.	$1.50	37c	Oct. 31	Sept. 30
McColl-Fron. pref.	$6	$1.50	Oct. 14	Sept. 30
National Biscuit c.	$2.80	70c	Oct. 14	Sept. 22
Northern Ont. Power	$2	50c	Oct. 25	Sept. 30
Do., pref.	6%	1½%	Oct. 25	Sept. 30
National Life	$2.50	62½c	Oct. 2	Sept. 25
Perfection Petroleum pfd.	$1.50	37½c	Oct. 2	Sept. 29
Power Corp. pref.	$6	$1.50	Oct. 16	Sept. 30
Do., 2nd pref.	$3	75c	Oct. 16	Sept. 30
Penmans	$3	75c	Nov. 15	Nov. 6
Do., pref.	$6	$1.50	Nov. 1	Oct. 21
Premier Gold Min.	12c	3c	Oct. 16	Sept. 15
Quarterly Inc. Shares	...	3c	Nov. 1	Oct. 15
Steel of Canada	$1.20	30c	Nov. 1	Oct. 7
Do., pref.	$1.75	43¾c	Nov. 1	Oct. 7
Southern Can. Power c.	80c	20c	Nov. 15	Oct. 31
Southern Can. Power pfd.	6%	1½%	Oct. 16	Sept. 20
Tamblyn, G., pref.	7%	1¾%	Oct. 2	Sept. 27
Teck Hughes	60c	15c	Nov. 1	Oct. 10
Toronto Elevators pref.	$7	$1.75	Oct. 15	Sept. 30
Tuckett Tobacco, pref.	7%	1¾%	Oct. 14	Sept. 30
United Securities	$2	50c	Oct. 16	Sept. 27
Western Grocers pref.	$7	$1.75	Oct. 15	Sept. 20

Dividend Rate Reduced:
Southern Can. Power c. Nov. 15, $1 to 80c. per annum.

Dividends Passed or Deferred:
National Grocers pref. Oct. 2, deferred. Last paid $1.75 July 3, 1933.

Dividend Rate Increased:
Howe Sound, Oct. 15, 40c. to $1 per annum.

Listed Bond Quotations

Week Ending October 2, 1933

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1933 High	Low
Abitibi, 1st mtge.§	5	1953	...	24	...	...	18	13
Asbestos	5	1942	...	23	...	...	*65½	49
Can. Cons. Rub.	6	1946	...	...	...	...	62	...
Can. Cottons	5	1940	8.11	...	...	...	84½	...
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Pr. (Laur.)	5	1958	...	5	...	...	5	3
Do., (Way. Ser.)	5½	1958	...	5	...	...	*28½	5½
Can. S.S. Debs.	5	1943	...	...	...	...	*83½	...
Cedars Rapids	5	1953	...	...	...	...	108	108
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	...	...	...	37	...
McNish	6	1948	...	2.75	2.75	...	3.00	1.00
Mex. L. & Pr.	5	1940	...	†59	...	...	*73½	70½
Mtl. L.H.&Pr. debs.	3	1939	...	45	46	44¾	47½	39½
Mont. Tr. 1st mtg.§	5	1941	5.57	95¾	96½	96	98½	95½
Mont. Trams. A§	5	1955	7.51	73	73¾	...	81½	58
Do., G & Ref. B	5	1955	7.47	73	...	...	73½	...
Do., C	4½	1955	9.03	...	...	...	57	57
Do., D	5	1955	6.86	73	...	...	77⅞	76½
N. S. Steel	5	1959	...	...	...	...	*62½	58
Ontario Steel	6	1943	7.4	87½	...	...	90	80
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada§	6	1940	...	103⅞	...	...	*102½	100
Wayagamack	6	1951	...	...	...	...	*75	45
Winnipeg Elec.§	5	1935	...	75	75	...	79	75
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	*101½	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	...	106.25	....	....	116.25	107.00
Victory Loan	5½	1933	...	100.05	....	....	100.75	100.00
Do.	5½	1934	4.11	101.30	....	....	102.60	101.15
Do.	5½	1937	3.10	108.50	....	....	110.25	109.25
Do., refund	4½	1940	4.21	101.50	....	....	101.25	99.70
Do., refund	5	1943	4.49	104.00	....	....	104.90	101.85
Do., refund	4½	1944	4.31	101.25	....	....	100.50	98.75
Do., refund	4½	1946	4.32	101.00	....	....	*92.25	91.50
Do., renewal	4	1952	4.35	95.00	....	....	95.25	91.63
Conversion Loan	4½	1956	4.45	99.75	....	....	100.50	97.00
Do.,	4½	1957	4.46	99.75	....	....	99.00	96.00
Do.	4½	1958	4.50	99.75	....	....	100.50	97.75
Do	4½	1959	4.50	100.75	99.85	....	100.87	97.50
Nat. Service Loan	5	1936	4.15	102.25	....	....	103.25	101.50
Do.	5	1941	4.43	103.75	....	....	103.75	100.75
Dom. Loan	4	1935	3.80	100.00	....	....	99.75	99.75
Unlisted:								
Cons. Paper	5½	1961	...	...	...	...	...	...

†Latest ask. ‡Quotations for 1930. *For 1931. *For 1932. None recorded in 1933 to date. §Payable in Canada and New York.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.

October 4, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Apr.	89.50	5.26
Alberta	5	1 July, 1943	1 Jan.	96.50	5.45
Alberta	6	1 Mar., 1947	1 Mar.	103.50	5.63
*British Columbia	4½	1 Oct., 1953	1 Apr.	89.00	5.40
*British Columbia	5	15 Jan., 1948	15 Jan.	95.50	5.45
British Columbia	6	15 Feb., 1947	15 Feb.	103.00	5.68
Manitoba	4	1 July, 1947	1 Jan.	83.00	5.79
*Manitoba	5	2 Dec., 1959	2 Dec.	94.00	5.43
Manitoba	6	1 Apr., 1947	1 Apr.	100.50	5.95
*New Brunswick	4	1 June, 1948	1 Dec.	92.00	4.75
*New Brunswick	4½	15 June, 1936	15 Dec.	101.00	4.37
New Brunswick	5½	15 May, 1950	15 Nov.	106.00	4.97
*Nova Scotia	4½	15 Nov., 1948	15 Nov.	100.50	4.45
Nova Scotia	5	1 May, 1943	1 Nov.	102.00	4.75
*Ontario	4½	1 Sept., 1944	1 Mar.	102.50	4.22
Ontario	5	15 Oct., 1948	15 Oct.	104.50	4.58
Ontario	5½	1 Feb., 1947	1 Feb.	109.00	4.60
P. E. I.	4	1 Apr., 1939	1 Apr.	96.90	4.60
P. E. I.	6	1 May, 1947	1 Nov.	112.00	4.81
*Quebec	4½	1 May, 1961	1 Nov.	102.00	4.13
*Saskatchewan	4½	1 Sept., 1955	1 Mar.	85.50	5.66
*Saskatchewan	5	1 Nov., 1959	1 Nov.	92.00	5.58
Saskatchewan	6	15 Mar., 1952	15 Mar.	100.50	5.95
*Newfoundland	5	31 Dec., 1952	31 Dec.	83.00	6.55
*Newfoundland	5½	1 July, 1939	1 Jan.	86.50	8.42
*Newfoundland	6½	30 June, 1936	31 Dec.	95.00	8.07
Cities					
*Montreal	5	1 Sept., 1963	1 Mar.	104.80	4.70
*Toronto	4½	1 Jan., 1955	1 Jan.	100.00	4.50
*Vancouver	5	15 Jan., 1970	15 Jan.	94.00	5.37
Winnipeg	5	1 Mar., 1944	1 Mar.	93.50	5.78
*Edmonton	5½	1 Apr., 1947	1 Apr.	92.50	6.32
Calgary	5	1 Jan., 1943	1 Jan.	90.00	6.42
Halifax	6	1 July, 1951	1 Jan.	115.01	4.75
Saint John	5	15 Dec., 1950	15 Dec.	102.95	4.75
Regina	4½	1 July, 1950	1 Jan.	79.60	6.50
Victoria	5	21 July, 1945	21 Jan.	93.56	5.75
Quebec	5	1 June, 1948	1 Dec.	101.00	4.90

*Payable in New York.

Winnipeg Stock Exchange

(Transactions for week to September 28)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Sept. 28
..	..	Central Manitoba	600	.14	.13	.14
..	..	Assoc. Breweries	5	12½	12½	12½
..	..	Can. Steamships	25	1	1	1
..	..	Home Oil	300	2.00	2.00	2.00
..	..	Inter. Nickel	2	19.75	19.75	19.75
..	..	Island Lake	500	.22	.22	.22
..	..	Little Long Lac	100	.70	.70	.70
..	..	Macassa	100	1.10	1.10	1.10
35c	..	North Star Oil pfd.	200	2.80	2.80	2.80
..	..	San Antonio	1800	1.40	1.40	1.40
..	..	Sherritt Gordon	100	1.35	1.35	1.35
1	8.7	United Grain Gr.	20	11½	11½	11½
..	..	Ventures	400	.91	.91	.91
7	8	West. Grocers pfd.	5	87	87	87

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Lumb. pref.	64	65	Pellissiers, pref.	15	..
Beaver Fire	..	100	Reliance Grain pfd.	..	43
City Dairy 8% pf.	..	40	Sovereign Life	..	20
Cres. Creamery pf.	..	20	Traders Bldg.	60	70
Great-West Life	305	..	Can. Amer. Tr. shs.	..	3½
Monarch Life			Fundamental Ser. A	..	4½
10% pd.	16	..	Fundamental Ser. B	..	4
Northern Trust	15	..	Group. Income Shs.	..	4.30

*Stocks more active on other exchanges not included.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited) Investment Bankers, Toronto
October 3, 1933

Industrial Stocks	Bid	Asked
Acadia Sugar c.	.90	1.35
Acadia Sugar 6% pfd.	3.90	4.50
Acme Farmers Dairy 7% pfd.	....	40.00
Agnew Surpass 7 %pfd.	63.00	68.00
Allens Lond. 7% pfd. bonus c.	34.00	....
Allens St. Cath. 7% pfd. bonus c.	34.00	....
Allens Toronto 7% pfd. bonus c.	20.00	....
Andian National U. S. Funds	26.00	27.50
Atlantic Sugar A pfd.	83.00	....
B. C. Pulp & Paper pfd.	7.50	....
Burns pfd. bonus com.	....	7.00
Canada & Dominion Sugar	33.50	37.00
Canada Mach. c.	3.35	5.50
Canada Mach. pfd.	20.00	....
Canada Packers c.	36.25	39.00
Canada Packers pfd. ex-div.	100.00	103.00
Canada Starch 7% pfd.	73.00	....
Canada Starch c.	4.00	....
Canada Tea 7% pfd.	45.00	57.00
Canada Wire & Cable 6½% pfd. WW	63.00	67.00
Can. Industries com. A	106.00	....
Can. Industries com. B	105.00	109.00
Can. Industries 7% pfd.	122.50	126.00
Can. Westing.	44.00	47.50
Chase, A. W. pfd. bonus com.	10.50	14.00
Claude Neon Gen. Adv. Units	3.75	6.00
Dom. Foundries & Steel 8% pfd.	45.00	52.00
Dom. Foundries & Steel com.	4.87	6.25
Dom. Manufacturers 7% pfd.	....	60.00
Dunlop Tire 7% pfd.	55.00	....
Eastern Dairies Ltd. 7% pfd.	....	24.00
Edmonton Stockyards Units	....	51.50
Federal Grain c.	1.25	3.25
Federal Grain 6½% pfd.	25.00	30.00
A. J. Freiman pf.	47.00	53.50
General Steel Wares pfd.	12.00	14.50
Goderich Elevator & Transit	4.25	5.25
Greening Wire 7% pfd.	49.00	53.00
Guelph Carpet 6½% pfd. bonus	65.50	71.00
Guelph Carpet c.	6.00	....
Inter City Baking com.	16.00	18.50
Inter. Proprietaries A	31.50	33.00
Loew's London c.	.35	.75
Loew's Toronto 7% pfd.	60.00	66.00
Massey-Harris 5% pfd.	13.00	15.50
Medical Arts pfd. bonus com.	95.00	....
Mount Royal Hotel com.	.30	.70
Mount Royal Hotel 6% pfd.	3.15	4.00
Nat. Grocers com.	1.75	2.25
Nat. Grocers 7% pfd.	....	95.00
Ont. Silknit pfd.	30.00	....
Paramount Kitchener pfd.	31.00	....
Paramount Oshawa com.	2.15	....
Paramount Oshawa pfd.	31.00	....
Provincial Paper 7% pfd.	63.50	....
Reliance Grain 6½% pfd.	....	45.00
Rolland Paper 6% pfd. WW	44.00	52.00
Serv. Stations A pfd.	30.00	34.50
Standard Clay Products c.	....	14.50
Standard Fuel 6½% pfd. bonus	68.00	....
Supersilk pfd. bonus	31.00	....
Supertest Petroleum B	21.00	....
Toronto Elevators 7% pfd.	....	92.50
United Corpns. Ltd. A	5.00	....
United Corpns. Ltd. B	1.50	....
Ind. Stock cont'd.		
United Grain Growers	10.00	12.00
Western Grain 6½% pf. bonus	13.50	18.00
Western Grocers pfd.	84.50	90.00
Wood, Alex. & James pfd.	16.50	21.00
Insurance Stocks:		
Br. Amer. Assce.	23.25	....
Canada Life Ass.	420.50	....
Can. Fire Ins.	55.50	....
Confederation Life 20% pd.	125.00	....
Continental Life 20% pd.	45.50	60.00
Crown Life Ins.	92.50	....
Dom. Fire Ins.	85.50	....
Dominion Life 50% pd.	155.50	....
Dom. of Can. Gen. Ins.	100.50	105.00
Empire Life 25% pd.	8.75	12.00
Excelsior Life 30% pd.	75.50	....
Federal Fire 25% pd.	37.50	....
Fidelity Ins. Co.	49.00	....
Great-West Life Assce.	321.00	350.00
Guarantee Co. of N. A.	261.00	....
Imperial Life	281.00	....
Mfrs. Life Ins.	245.00	255.00
Monarch Life 10% pd.	16.50	22.00
National Life 25% pd.	55.00	65.00
Saskatchewan Life 10% pd.	7.50	12.00
Sovereign Life 25% pd.	20.50	25.00
Sun Life Assur.	375.00	415.00
Western Assur. c.	15.00	18.00
Western Life 20% pd.	7.00	11.00
Trust & Loan Stocks:		
Br. Mtg. & Trust	125.50	145.00
Can. Gen. Investments Ltd.	4.95	5.20
Can. Investors Corp.	5.50	7.00
Chartered Trust	60.50	....
Debenture & Sec. com.	5.75	....
Debenture & Sec. 5% pfd.	18.00	....
Dom. & Anglo Invest. Units	185.50	....
Eastern Can. Sav. & Loan	112.00	116.50
Eastern Trust	135.00	142.00
Guelph & Ont. Inv. par $50	45.00	51.00
Investment Foundation Units	29.00	32.50
Lambton Loan & Savings	50.50	57.00
London & West. Trust	....	50.50
Premier Trust	63.00	78.00
Provincial Bank	84.00	89.00
Security Loan & Savings	95.00	....
Sherbrooke Trust	100.00	110.00
Sterling Trust	....	44.00
Traders Finance A com.	....	.50
Traders Finance 7% A pfd.	32.00	....
Trusts & Guar.	30.00	34.00
Victoria Trust & Savings	130.00	139.00
Waterloo Trust & Savings	90.50	110.00
Power Issues:		
B. C. Elect. Pwr. & Gas pfd.	98.50	101.00
Calgary Power 6% pfd.	77.00	82.00
Can. Light & Power com.	20.50	24.00
Can. West. Nat. Gas LH&P pfd.	79.00	82.00
Maritime Tel. & Tel. com.	8.60	9.50
Maritime Tel. & Tel. 7% pfd.	10.35	11.50
N. B. Telephone c.	8.25	9.25
N. S. L&P com.	25.50	35.00
N. S. L&P 6% pf.	70.50	76.00

Recent London Quotations:

Brewers & Distillers	10s. 6d.
Can. & For. Secs.	4s. 6d.
Can. West. Lumber	1s. 6d.
Hudson's Bay	27s. 6d.
Do., 5% pref.	92s. 6d.
Internat. Holdings	$2¼
Nfld. Pr. & Pap. deb. stock B	95
Trust & Loan of Can.	3s. 4d.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
October 3, 1933

Industrial Bonds:	Bid October 3	Asked October 3	Bid Sept. 26
Abitibi P. & P. 5% 1953	24.00	25.00	24.50
Acadia Sugar 6% 1946	91.00	93.00	90.00
Albert Bay 6½% 1942	48.00	....	48.00
Alta. Pac. Grain 6% 1946	67.00	70.00	65.00
American Sales Book 6% 1939	97.50	....	97.50
B. A. Oil 5% 1945	98.50	100.00	98.50
Can. Biscuit 6½% 1946	20.00	22.00	21.00
Can. Bread 6% 1941	95.25	97.00	95.00
Can. Cement 5½% 1947	70.00	73.00	71.50
Can. Steamships 6% 1941	17.00	18.00	16.50
Can. Canners 6% 1950	96.50	99.00	96.50
Can. Copper Refin. 6% 1945	102.50	104.50	103.00
Can. Cottons 5% 1940	90.00	93.00	90.00
Can. Vickers 6% 1947	43.00	46.00	45.00
Cons. Invest. 4½% 1959	55.00	58.00	56.00
Cosmos Imp. Mills 6½% 1944	85.00	....	85.00
Davies, Wm. 6% 1942	97.00	99.00	98.25
Debenture & Sec. 4% 1936	66.00	....	66.00
Dom. Tar & Chemical 6% 1949	65.00	68.00	66.00
Dom. Telegraph 5½% 1978 A	94.75	97.00	94.75
Dom. Textile 6% 1949	104.25	....	104.25
Dom. Woollens 6% 1948	22.00	25.00	29.00
Donnacona Paper 5½% 1948	28.00	....	28.00
Eaton Realty 5% 1949	90.25	93.00	90.25
Famous Players 6% 1948	74.00	76.00	73.50
Federal Grain 6% 1949	68.50	70.00	70.00
Firestone Tire 7% 1937	105.00	108.00	105.00
Fraser Cos. 6% 1932	30.00	32.50	30.00
Fraser Cos. 6% 1950	30.00	....	30.00
Galt Brass 7½% 1941	15.25	20.00	15.25
General Steel Wares 6% 1952	60.00	65.00	65.00
Goodyear Cotton 6% 1949	102.00	104.00	103.00
Great Lakes Paper 6% 1950	24.00	25.50	25.75
Gypsum, Lime & Alab. 5½% 1948	48.00	50.00	47.00
Harris Abattoir 6% 1947	100.00	103.00	100.00
Howard Smith 5½% 1953	72.00	....	73.00
Lake St. John 6½% 1947	31.00	32.50	31.00
Loew's Toronto 6% Serial	98.00	....	98.00
Maple Leaf Milling 5½% 1949	48.00	49.00	52.50
Massey-Harris 5% 1947	57.50	59.00	....
McColl-Frontenac 6% 1949	97.50	98.25	97.50
McKinnon Industries 6½% 1945	96.00	....	95.00
Mercury Mills 5½% 1953	49.50	....	54.00
Metropolitan Bldg. 7% 1944	82.00	....	82.00
Northern Ontario Bldg., 6½% 1939	65.00	70.00	65.00
Price Bros. 6% 1943	55.50	58.00	55.50
Richmond-Bay 6½% 1947	60.00	65.00	64.00
Simpsons Ltd. 5½% 1949	70.00	73.00	71.00
Simpsons Ltd. 6% 1949	75.00	78.50	76.00
Steel of Canada 6% 1940	104.00	105.50	104.00
Stop & Shop 6% 1947	67.00	....	66.00
Toronto Carpet 6% 1944	82.00	....	82.00
United Gas & Fuel 5½% 1948	74.50	78.00	74.50
United Grain Growers 5% 1948	74.00	77.00	75.00
United Grain Growers 5½% 1949	77.00	80.00	78.00
Wabasso Cotton 7% 1942	72.00	76.00	72.00
Western Grain 6% 1949	67.00	70.00	68.00
Public Utility Bonds:			
Bell Telephone 5% 1955	104.00	105.00	103.50
Bell Telephone 5% 1957	104.00	105.00	104.00
B. C. Power 5% 1960	87.00	88.50	87.50
B. C. Telephone 5% 1960	92.50	94.00	94.50
Calgary Power 5% 1960	79.00	82.00	81.00
Can. Northern Pwr. 5% 1953	74.00	76.00	76.00
Duke-Price Pwr. 6% 1966	72.00	74.50	72.00
French Nat'l Mail S.S. 6% 1952	130.00	....	130.00
Gatineau Pwr. 6% 1941 A	69.00	71.00	68.00
Gatineau Pwr. 5% 1956	76.00	77.00	76.25
Maclaren Quebec 5½% 1961	78.00	81.00	77.00
Manitoba Power 5½% 1951	28.00	29.00	32.50
Montreal Isl. Pwr. 5½% 1957	96.50	98.00	96.50
Montreal LH&P 5% 1951	104.00	106.00	105.50
Montreal LH&P 5% 1970	103.50	106.00	104.50
Montreal Tram 5% 1941 July	95.50	97.00	95.50
Montreal Tram 5% 1955	73.00	75.00	72.00
Northwest. Utilities 7% 1938	96.00	98.50	96.00
Ottawa Valley Pwr. 5½% 1970	98.50	100.50	98.00
Quebec Power 5% 1968	90.00	91.00	90.50
Rio Tramways 5% 1935	99.50	102.00	99.50
Shawinigan W. & P. 4½% 1970	71.75	73.00	71.00
Shawinigan W. & P. 5% 1970	80.50	82.50	80.50
Shawinigan W. & P. 5% 1967	92.50	93.50	91.00
Southern Can. Pwr. 5% 1955	99.50	101.00	99.50
West Kootenay Pwr. 5% 1956	97.00	98.50	97.00
Government, Provincial & Railway:			
C. N. R. 4½% 1951 Dom. Gtd.	101.25	102.00	101.25
C. N. R. 4½% 1957 Dom. Gtd.	100.00	101.75	101.00
C. N. R. 5% 1969 Dom. Gtd.	105.00	106.00	106.00
C. P. R. 4½% 1944	71.00	73.00	73.00
C. P. R. 6% 1942	104.00	....	110.25
Dom. of Can. 5% 1936	102.00	102.50	102.75
Dom. of Can. 5% 1941	103.75	104.25	104.25
G. T. P. 3% 1962 Dom. Gtd.	81.25	82.25	81.25
G. T. P. 4% 1962 Dom. Gtd.	94.75	96.00	95.25
Ont. Hydro 3½% 1952 Ont. Gtd.	91.25	92.50	91.25
Ont. Hydro 4½% 1970 Ont. Gtd.	100.00	102.00	100.00
Ont. Hydro 4% 1957 Ont. Gtd.	92.00	93.00	93.00
Prov. of N. B. 5½% 1952	104.00	105.00	104.00
Prov. of Ont. 5½% 1946	107.75	108.25	107.75
Prov. of Ont. 5% 1948	103.75	104.50	104.25
Prov. of Ont. 5½% 1944	102.25	104.00	102.25

SUPERIOR COURT REJECTS ACTION AGAINST SISCOE

Attempt to Reopen Case Heard Last Spring Unsuccessful

Siscoe Gold Mines won another round in the series of legal battles that have been waged and those that have been threatening the company for the last few months when Chief Justice Greenshields dismissed, in the Superior Court at Montreal, a requete civile brought by Walter Rice Baillie to reopen a $110,500 action claiming that His Lordship's original judgment dismissing the action was obtained through the presentation of false testimony on the part of the company, its officers and employees. The Chief Justice dismissed that contention and applied again the findings of his original decision.

Baillie sued first for delivery of 65,000 shares of Siscoe stock or $65,000, then boosted his demand by $45,000 when Siscoe shares appeared on the market at $1.70 a share.

His original claim was based on what purported to be a contract between him and the company. In December, 1926, he declared, when the company was anxious to secure financial assistance by means of subscriptions to its capital stock, it contracted with him to pay him a commission of ten per cent and a bonus of 15 per cent in stock on any amount that might be subscribed by a man named Coyle.

Contract Not Ratified

Through Baillie, Coyle was persuaded to invest $75,000, but when Baillie sought his commissions the company denied it had any contract with him and repudiated assurance given to Baillie by S. E. Siscoe, vice-president of the company, that the commission would be paid.

Chief Justice Greenshields rendered judgment on February 15, last, dismissing the claim on the principal ground that the writing on which the action was based did not bind the company in that it was not an act or contract of the company, but was an agreement between plaintiff and the vice-president, who had no power to bind the company. His Lordship also declared that the company never ratified the act of its vice-president.

To Reopen Action

On March 27, Baillie presented a requete civile, a mode of procedure designed to reopen an action after judgment has been rendered, on the ground that new evidence has been discovered which, had it been presented at trial, would have changed the outcome of the suit.

In this case Baillie alleged that the original judgment had been obtained by fraud and artifice, employed by the defendant, its directors and employees, who, he said, gave evidence which misled the trial judge; that the judgment was based upon evidence subsequently discovered to have been false.

Specifically, Baillie alleged that the judgment was based primarily on the fact that the contract which formed the basis of the plaintiff's action was not ratified by the company, while as a matter of fact, the company had ratified the whole transaction by referring to it in its minutes and account books.

In his judgment dismissing the requete civile Chief Justice Greenshields declared that not one scintilla of proof had been added that would induce him to find that the writing signed by Siscoe was a valid, binding agreement so far as the company was concerned. The company had authorized no one to enter into a contract with Baillie and had no knowledge of the contract.

At the Mines

American Smelting & Refining Co.—The semi-annual consolidated report of the company and its subsidiaries, covering the six months ended June 30, 1933, shows a net profit of $2,030,209 as compared with a loss of $3,442,048 in the corresponding period of 1932. The current assets of the company total $70,414,796 as compared with current liabilities of $10,611,249. Interest in the company in Canada centres about the control of the Premier Gold Mining Co., operating the Premier mines in the Portland Canal division of British Columbia, and through Premier the Toburn Gold Mines in the Kirkland Lake area. The company also has several exploration efforts under way in Canada in search of properties of merit.

* * *

Big Missouri—Shares were listed on the Montreal Curb Market last week.

* * *

Mercury Oils Ltd.—A second dividend of four cents per share has been declared payable January 2, 1934, to shareholders of record November 30. An initial dividend of five cents per share was paid in July, 1931. Total disbursements will be some $289,185 with the payment next January.

* * *

Noranda Mines—The first diamond drill hole has been completed at the Coffin property, Bordeau Lake, Chibougamau district, Quebec, under option to the company. This is one of the first evidences in the area, which attracted considerable attention four years ago during a period of high copper prices.

* * *

Paymaster Consolidated Mines—A. W. Hodgetts, asst. secretary of the company, was added to the board of directors at the annual meeting held last week at the property in Porcupine. Work is proceeding towards dewatering the Heinze shaft so that development may be resumed.

* * *

Siscoe Gold Mines—A new vein has been encountered on the sixth level at a depth of 850 ft. in a crosscut driven east to investigate diamond drill intersections some 550 ft. east of the shaft. Values and width not yet determined.

September production was valued at $101,719 exclusive of exchange compensation, as compared with $94,713 in August. In September the mill treated 9,445 tons of ore, an average rate of 315 tons daily. The average recovery was $10.75 per ton.

* * *

Sunorra Exploration Co.—Astride the Raney and Rolo townships boundary in Swayze area the company is conducting exploration under the supervision of H. N. Kilpatrick. Many quartz veins are reported and four porphyry dikes have been traced practically the entire length of the property, running in an easterly-westerly direction for a length of over two miles.

MACMILLAN, ADDIS DEPART; WORK OF COMMISSION DONE

(Continued from page 18)

The privilege of note issue permits the commercial banks to concentrate their reserves at central points and to use their own unissued notes as the cash reserve of smaller branches. This has made it possible for the banks to expand their branch system into smaller communities to an extent that it would not have been possible otherwise.

Of 3,262 branches in Canada, 42.3 per cent were operated at a loss in 1932 entirely apart from losses incurred through bad debts. Operating losses are more general in Western Canada and the percentage in Saskatchewan was over 80 per cent. Profits actually derived by the banks from their note issuing privilege is difficult to determine exactly but the banks agree that the profit is slightly less than 1.5 per cent of the average circulation after paying one per cent special tax to the Dominion Government. In addition to loss of direct profits withdrawal of circulation privileges would put the banks to the expense of replacing their own notes at small branches with legal tender thereby rendering unproductive a very large amount of funds. It is estimated that the net results of the banks would be a loss of more than one-third of the amount presently available for dividends to shareholders. Present dividends of the three largest banks afford a return of only 4 per cent of the capital and reserves of the banks and as the greater part of the reserve funds have been contributed by shareholders in the form of premiums on new stock the return on paid-in capital funds is only slightly in excess of 4 per cent.

Would Not Hinder Central Bank

It is not believed that retention of the present rights of the chartered banks to issue their own notes would seriously weaken the control of the proposed central bank. It is, therefore, proposed that there should be no change in the present note issuing privilege of the banks regardless of whatever institution may be created for the control of credit and currency. The chartered banks at present have the right to issue notes up to the extent of unimpaired paid-up capital and further issue notes against gold in the reserve fund and issue a further 15 per cent during the crop moving period of September 1 to February 28. Speaking only for himself Mr. Wilson stated that he regarded it vital that the banks continue to have the right to issue circulation to the amount of paid-up capital. As far as the 15 per cent excess is concerned, he did not feel that this feature had any special value since it was an intermediate step before the banks had the right to issue against gold or legal tender deposited with the central gold reserve. The right to issue notes against legal tender or gold deposited in the central gold reserve would, he thought, be continued if a central bank were established in the same way that it is with the Scottish Bank or the Bank of England.

With regard to advantages of concentration of the banks' reserve, Mr. Wilson stated that reserves are now concentrated in at the head offices particularly in Montreal because that is where the clearing balances are settled between all the banks throughout the country every day. A central bank would not change that situation in any respect. The banks would continue to maintain the same degree of liquidity as is maintained at the present time.

No National Policy

H. T. Ross, secretary of the Canadian Bankers' Association dealt with the "special constitutional position under the British North America Act and the possibility of the absence of co-ordination in national financial policy." Mr. Ross stated that the British North America Act gives to the Parliament of Canada exclusive legislative authority in respect among other things to the raising of money by any mode or system of taxation. The borrowing of money on the public credit. By Section 92, the legislature of the province may exclusively make laws in regard to "direct taxation within the province in order to the raising of revenue for provincial purposes," "the borrowing of money on the sole credit of the province."

The possibility of clashes of interest is inherent in the constitution since the Dominion may not wish a province to seek a market for its obligations at a particular time or it might not be in the national interest for a province or a large municipality to increase its foreign indebtedness. The Dominion can not set up a committee to control provincial financing at times of peace and if a voluntary commission were established it could only have compulsory power delegated to it through joint Dominion and provincial legislation. Sectional differences might arise that would render the scheme impossible of establishment or at any rate a continuance on a satisfactory basis.

Mr. Ross believed that there would be difficulty in securing men of a character who could take charge of a voluntary commission and who would command immediate respect. He suggested that it might be well to improve the methods of co-operation along the lines that have been tried in the past and that have proved to be successful. Each provincial government had its own bankers who understand its financial problems and the banks can be depended upon to be a moderating influence should clashes of interest develop. He suggested that it might not be possible to go beyond this at the present time but that the Royal Commission might approve of methods used in the past and suggested that study be given as to the means to be employed for their enlargement and continuance.

Uncovered Notes Are Liability

The banks raised the question of "uncovered Dominion Note issue" which began just before Confederation in legislation of the old province of Canada when a moderate backing of gold, 20 or 25 per cent was allowed with no other cover protecting the issue. That continued, increasing up to the time the war broke out. When the Minister of Finance was authorized in 1914, under the Dominion Notes Act as it had stood for many years, to make issues of Dominion notes to the amount of $30,000,000 against a gold coverage of 25 per cent.

Mr. Ross stated that in 1914 the Minister of Finance was authorized under the Dominion Notes Act as it has stood for many years to make issues of Dominion notes to the amount of $30,000,000 against a gold coverage of only 25 per cent. This made an uncovered issue of $22,500,000 outstanding before the war. With the outbreak of the war the $30,000,000 was increased to $50,000,000 and the uncovered issue of Dominion notes was, therefore, increased from $20,500,000 to $37,500,000. Further changes in 1914 and 1915 brought the total of uncovered issues up to $63,500,000.

The Dominion Government is receiving an annual benefit from currency issues of its own and those of the banks to the extent of $4,698,131 of which $2,540,000 is on account of uncovered note issue, $806,131 on interest on loans to banks under the Finance Act and $1,852,000 as tax of 1 per cent on bank note circulation. If a central bank is formed the Dominion must meet its outstanding obligations on Dominion notes to the extent of uncovered note issue or $63,500,000 by delivering to the new institution either gold or live marketable securities.

Interest Rate Not Set

With regard to the rate of interest chargeable by the banks J. A. McLeod quoted the Bank Act "The Bank may stipulate for, take, reserve, or exact any rate of interest or discount not exceeding 7 per cent per annum and may receive and take in advance any such rates but no higher rate of interest shall be recoverable by the bank'" This general provision dates from the general banking act of 1871 and conflicting decisions have been given by the court until in 1913 the Privy Council held that the borrower must be considered to have known that the bank had no legal right to stipulate for and no power to recover interest at a higher rate than 7 per cent, but that when he involuntarily assented to a settlement of account which involved the payment of interest at a higher rate than 7 per cent he had no right to recover back any excess which he had thus voluntarily paid. The section was argued in the House of Commons in 1913 and was re-enacted at the last revision of the Bank Act with full recognition of the fact that in practice it imposes no restriction on the rate of interest which the banks may carry. "Hence, it can hardly be said that there is a present statutory maximum or that the banks evade a restriction when interest is taken in advance and or voluntarily paid by the customer at a higher rate than 7 per cent." The banks suggest that no statutory restrictions should be imposed and that what merely purports to be a restriction in the Act, as it stands at present, should be eliminated. In practice, competition for desirable business lowers the rate to a minimum commensurate with the risk and the cost of conducting a branch in the locality concerned.

Spread Not All Profit

Criticism of the spread between interest paid and on deposit and that charged on loans is largely due to the erroneous assumption that any and all amounts received by a bank on deposit are immediately and fully employed by commercial loans. This is not the case. Part must be retained as a reserve and part must be employed in call loans and readily available for investment while necessarily there is a lapse of time before for even that part which can be properly used in commercial business can be so employed. The spread between the two rates is not all profit and cost of administration and branch operation have to be met and some provision made for losses which are inevitable in any loaning business. Cost of loans is higher where the average loan is small and trips to inspect security are long. Rates charged in Western Canada however compare favorably with rates for farmers' loans in Western states which are reported at 8 to 12 per cent in Dakota and Montana and 8 per cent in Iowa and Minnesota.

Interest rates paid on deposits in Canada or chargeable on loans have never fluctuated following changes in the money market and the rate of interest payable on time deposits had not varied from 3 per cent for some 30 years until it was recently reduced to 2½ per cent. It is not felt that over a period this fixity of rate militates unfairly against either depositors or borrowers. It was pointed out that in Great Britain in 1854 all existing laws against usury were repealed and since that time not only in the Bank of England but in every other British bank the rate of interest or discount on notes or bills of exchange may be at the rate the parties agree upon.

Governments Get Better Rates

H. B. Henwood, general manager of the Bank of Toronto, represented the bank on the subject of the divergence between the rates charged by the banks under the Finance Act and the rates charged by the banks on provincial and municipal loans and also the rates charged on loans to municipalities in anticipation of tax collections. The rate charged by the banks under the Finance Act at the present time is 2½ per cent and during the period of the last nine years, the average rate has been approximately 4 per cent. Special rates against specifically designated government treasury bills are at times allowed to facilitate the sale of these issues by the Dominion Government at very close rates. On the whole, the average rate charged by the banks under the Finance Act on ordinary advances has been higher than the rate paid by the banks on deposits. He stated that lower rates are accorded provincial governments and municipalities than are charged on first class commercial business. Rates to provinces range from 5 to 5½ per cent according to the financial position of the province and the volume of their borrowing while the commercial rates vary from 6 to 7 per cent. He pointed out that rates of interest and discount are governed entirely by three factors. 1. The cost of the money. 2. The cost of operations and 3, certain allowances for losses.

Spread is Small

The lowest spread on provincial and government, and municipal business is treated on the theory that advances are secure and need carry no provision for loss. In the west, the spread on all classes of loans is slightly higher because expenses of operation are higher than in the east. The spreads both in the east and the west leave an exceedingly narrow margin of profit. Loans to provinces and municipalities are taken entirely from the banks loanable funds and are not obtained by advances under the Finance Act. Outside of special temporary loans to governments the main use of the facilities of the Finance Act is for the crop holding period and if funds under the Finance Act were not available for this purpose, at rates approximately the same as is paid for deposit it would add to the cost of the west each year in moving the crop.

Present borrowings under the Finance Act are not of sufficient volume to be a factor in rates charged to provincial governments and municipalities, commercial and agricultural business. The return of the chartered banks for July, 1933, showed borrowings under the Finance Act of only $14,644,000 against $152,511,000 advanced to provincial and municipal governments and $1,012,173,000 to other borrowers.

Mr. Henwood did not refer specifically to the collection of loans to municipalities in anticipation of tax collections and, in reply to a question by Lord Macmillan, Jackson Dodds stated that in reply to any general criticism against the banks for not making such advances there could only be a general denial. While there may be cases where there have been refusals there are probably good reasons for them and each case should be decided upon its own merits.

Jackson Dodds dealt with the question of loans to farmers stating that he had gone to Western Canada as an accountant in 1905 and having been appointed assistant general manager for the western division of the Bank of Montreal in 1925.

Fixed Rates Stabilizing Factor

Since Canada does not have a money market of its own, it has been the aim of the chartered banks to maintain rates of interest at a steady level. Savings deposits have been fixed at 3 per cent per annum and standard rates on first class commercial loans has been 6 per cent per annum. This policy has had a very steadying influence on the business community and borrowers were enabled to make their commitments without fear of their interest costs being subject to violent fluctuations, in a period of depression or when wars, or rumors of wars, convulse the great money markets of the world. It has been an important factor in creating and maintaining the feeling of confidence in their banks by the public generally. As a fixed rate of interest is paid on deposits a fixed rate must be charged for loans. It was impossible for the banks to continue to meet their overhead costs, absorb inevitable losses, and pay interest on deposits at 3 per cent, pay dividends, which are essential to the retention of the public confidence and at the same time reduce lending rates. In May, 1933, the interest paid on savings deposits was reduced to 2½ per cent only after the banks had reduced dividends and overhead charges, including salaries. This reduction was passed on to the Dominion, provincial and municipal borrowers and to loans against government and other first-class bonds. The rate to agricultural borrowers was reduced and the maximum rate for farm loans was set at 7 per cent throughout the country.

Since loan rates vary according to the risk involved, the liquidity of advances and the cost of handling business, rates must differ in various sections of the country and a margin of profit must also be provided. Considering the small amount of business available at country points the cost of operating, the risk and amount of work involved, 7, 8 or 9 per cent is not an unreasonable charge. On very small amounts the minimum charge works out at a higher percentage though the cost of handling them frequently exceeds the charge. The difference in the charge of 1 per cent in a loan of $500 at six months is $2.50 which is not a vital matter to an individual borrower but may bulk large with the bank and represent the difference between profit and loss.

A branch that consistently loses money must be closed as a matter of ordinary business procedure and if an additional 1 per cent interest on loans were the deciding factor, it is safe to say that the district or community would readily agree to bear it rather than be denied the facilities of a branch bank.

Expect Repayment In One Year

Discussing the discrepancy between period of currency of loans and the period of farming operations which the loans are intended to finance, Mr. Dodds stated that the banks readily provide credit to farmers if repayment is in sight in 12 months and that there has been considerable latitude in providing credit, which might not be totally repaid in 12 months. The practice has grown of making notes for three or four months duration as farmers almost invariably borrow against an unsecured note. Such dating enables the bank to follow more closely the position of the borrower and the borrower's crop programme. He claimed that banks should not ask for repayment when farmers cannot be expected to have funds. If this system were not in force the borrowers would not be in close touch with the banks.

It has been the practice of Canadian banks to discount notes. He stated that there was little difference between simple interest and the return to the bank from discounting practices. As an example $500 is realized by discounting a note for $537.63 for one year at 7 per cent. Simple interest of $500 would be $35 so that the difference between the two methods is $2.63. In a four months' period the difference would be only 28c. Where interest is compounded every four months for one year on a 7 per cent note for $500 interest amounts to $36.70 or 93c. less than discounting a note for one year.

Debt Relief Not Wise

Regarding the effect of debt adjustment acts and similar legislation on credit facilities, Mr. Dodds said that the banks had continued to extend every reasonable measure of support and assistance to farmers notwithstanding the restrictions placed upon the banks by legislative enactments. He felt that the enactment of legislation in favor of the debtor class and against the creditor is generally speaking not in the best interest of the former. Such legislation must dry up some sources of credit formerly available to the farming community and mortgage loan companies and large insurance companies would seem to have retired from some of the fields as farmers are now unable to obtain mortgage loans. As a consequence, the banks are required to carry a larger and growing proportion of the farm debt burden.

S. H. Logan, general manager of the Canadian Bank of Commerce, dealt with facilities for intermediate credit. "Intermediate credit" is assumed to cover advances made for a period of from two to five years. As a general rule, it would seem desirable that the loans should be reduced annually. The principal legitimate demand for loans of this kind would probably come from the farming community for such purposes as the purchase of stock, replacement of implements, extension of acreage under cultivation and consolidation of current debts in those cases where the expectation is reasonable that the total can be retired in installments from income within two to five years. Under normal circumstances, the farming community might make use of such credit to a considerable degree. At present the replacement of implements is probably the most pressing need.

Risks Are High

Such loans involve a virtual partnership with the borrower in his risks but not in his potential profits and loans of this character are, therefore, more hazardous than either short term bank credit or long term land mortgage loans. This is strictly the case in the Prairie provinces where hail, insects, pests, rusts, and frost take such toll and drought may occur for five successive years in districts having a former crop record that has been uniformly good. The security for such intermediate credit should be a specific charge on lands and/or chattels including livestock and a loan should not exceed 60 per cent, or at the most 70 per cent, of present day appraised values. It would probably be necessary to exempt the pledge of these assets from the provisions of creditors relief acts and similar moratoria present and future.

Falls on Governments

The sources of funds for intermediate credit would be the chartered banks, private corporations now existing or organized for this purpose and a public corporation. Provision of funds by the banks for this purpose would be highly dangerous since all Canadian bank deposits are partially payable on demand. It also seems unlikely that existing financial corporations other than banks will be attracted to this field. Intermediate credit should be extended at the lowest possible rate of interest and 7 per cent might be considered the maximum. Overhead costs would be heavy and the personnel would have to be highly skilled. The net return on the funds employed, therefore, might well fall considerably below the yield to be secured from investment bonds of the highest class where risk is small and administrative expense light. The same reasons that would deter insurance and trust and loan companies from entering this field would also discourage the organization of private companies for this specific purpose.

The only remaining alternative for the Dominion and the provincial governments to take control in the national interest although it should not be forgotten that previous ventures by some governments into the field of credit extension have been unfortunate.

A tentative plan for a Dominion intermediate credit corporation, part of the capital of which might be subscribed by the Dominion Government was submitted. Each province would elect whether the corporation should operate within its boundaries and those served would each subscribe for whatever part of the remainder of the authorized capital it was considered desirable to issue.

Plan is Submitted

Each subscribing province would appoint a local board of commissioners which would pass upon all applications for loans received from residents within its own territory, make the necessary advances from funds received, receive and retain relative security being responsible for the collection of all maturing payments and accounting for them in due course to the corporation. The provincial board would be responsible for general supervision of credit within the province. Each province would provide for the operating expenses incurred by its own board of commissioners and any losses which might occur in its area. The corporation would have general supervisory powers over the respective provincial boards and would be responsible for financing their requirements. As funds, in addition to those from capital stock subscriptions, were required, the corporation would issue and offer for sale, debentures of the corporation bearing the guarantee of the Dominion of Canada and falling due within a period of not less than one nor more than five years. Each subscribing province would share with the Dominion Government, on some agreed basis, any loss incurred by the latter through its guarantee of the bonds by the corporation. Success of the scheme would depend largely upon the type of men selected for the provincial boards of commissioners and for the board of the corporation. It is emphasized, however, that the extension of intermediate credit is surrounded by many hazards and individual loans should be confined within a moderate maximum amount. Under conditions now existing the possibility of loss is much greater and the entry of governments into the field is justified only if the risk is felt to be warranted in the national interests.

Deny Subordination

Jackson Dodds stated that the banks could find no basis for the alleged subordination of eastern and western to central interests and therefore emphatically denied a charge. The banks maintain senior executive offices in each section and, in addition, directors of the bank had been drawn from leading business executives from coast to coast. Policies and operations of the bank are national in scope and it would obviously be contrary to their own best interests to follow any course which would not be strictly impartial. Competition for business between the banks is so keen that if one bank were not willing to meet the legitimate needs of one community or section of the country, its competitors would quickly take advantage of the situation.

Any geographic analysis of loans on the basis of where they are made is misleading if regarded as indicating what part of the country benefits therefrom. Money borrowed in a central area by a national organization such as the railways is spent all over the country, while other large corporations such as implement companies, borrow in the centre against receivables largely representing sales in the west and east. Large loans are made in Winnipeg, the proceeds of which are expended on grain purchased, say, in Alberta.

M. W. Wilson said that geographical distribution of directors usually corresponds to some extent with that of the shareholders of the banks, disregarding foreign shareholders. The bank directors also have a large variety of interests which means that knowledge and experience gained therefrom is available to the banks while it is also in a measure an indication of their ability to direct business to the banks. Before the annual meeting each year, the banks are required to advise shareholders of the attendance of directors which is an added incentive to regular attendance. In the case of directors resident other than at head office, practices vary but one bank with head office in Montreal and directors at Halifax, Toronto, Winnipeg and Vancouver, holds weekly meetings of directors in such outside points where business pertaining to those divisions of the country is deal with. In other cases formal meetings may not be held but local executive officials of the bank are in close touch with the local director.

Deal Locally With Loans

Desirability of instituting local boards would depend upon the number of points at which it was suggested that this be done. This might be left to the discretion of individual banks. Decentralization can take place to a point but there are limits beyond which it cannot go without weakening the control that the law expects and requires the board to exercise. The banks are divided for administrative purposes into districts in charge of an executive official who has authority to deal with all credit up to a certain amount. Credit over these amounts must be referred to head office for final approval. In the case of the Royal Bank, records show that out of thousands of borrowing accounts in the three Prairie provinces 99.64 per cent were dealt with before being referred to head office. Another bank reports that in Alberta 82.82 per cent were dealt with by the branch managers and 16.4 per cent by the Calgary superintendent leaving 1.21 per cent to be referred to the assistant general manager in Winnipeg. And of this 1.21 per cent only one-half had to be referred to head office.

The Bank Act requires the amount of "loans to directors and firms of which they are partners and loans for which they are guarantors" to be shown separately and at July 31, 1933, the total was $15,000,000 or slightly over one per cent of total loans of $1,387,000,000.

Most banks have a by-law to the effect that no directors shall be present at the board during the discussion of any matter which he or any partnerships of which he may be a member, shall be peculiarly interested, except at the request of the board, nor shall his vote be taken thereon. Where such a by-law is not in effect, the practice has been for the directors concerned to abstain from voting. The banks are not permitted to either directly or indirectly lend money or make advances in excess of 10 per cent of its paid capital to a director of the bank or to any company or corporation of which the president, general manager, or director of the bank is a partner or shareholder, without the approval of two-thirds of the bank's directors present at a regular meeting, or a meeting specially called for the purpose of the board.

Banks in the Bond Business

S. H. Logan presented the attitude of the banks on the topic of "The Banks and the Bond Business." Dealing in securities has been a recognized activity of the Canadian banks since the first bank charter, granted to the Bank of Upper Canada in 1819, conceded the right of the bank to deal in bonds as well as in bills of exchange and promissory notes. Right of a bank to conduct such operations was established in 1876 when the Imperial Bank was challenged in the courts and the banks claim to have full right and authority to purchase and sell securities was maintained. Statute authority for such dealings was introduced into the Bank Act in 1890.

Security dealings of the bank did not reach important volume for many years, although some of the banks acted as fiscal agents for the Dominion and certain provinces and large cities in placing debenture issues in foreign markets. Domestic sale of securities by the banks came during the war period of 1914-1918 when the London market was closed to outside financing and Canada was largely thrown upon her own resources. The banks played a large part in the successful programme of domestic financing during the war years.

Placing Power Important

Enquiries from investors, who had purchased war loan bonds through the banks, led the banks to organize special departments for the sale of securities. It is stated that 50 per cent of the $221,130,300 national service loan of 1931 was subscribed through branch banks and the total number of individual subscriptions was in excess of 74,000 or 68 per cent of the total number of subscriptions received to the loan. In the case of the $56,000,000 Dominion of Canada 4 per cent loan of 1932 the number of subscriptions received by the banks was in excess of 61 per cent of the total and amounted to 28 per cent of the aggregate of the loan. Distribution of bonds through the banks, particularly to small investors, has been equally marked in other important provincial and municipal financing. It is quite evident that the banks are today an important factor in placing Government and municipal securities with investors and the facilities thereby extended are such as the banks are expected by their clients to provide.

The banks' operations in security distribution in Canada in normal times consist of the purchase of new issues, and the distribution of new and old issues to investors. Participation in new issues is generally restricted to those guaranteed by the Dominion Government, those of the various provinces and of municipalities. In a few cases, banks have participated in new railway, public utility, and industrial bond issues but the prevailing practice is for financing of this description to be sponsored by investment houses. Banks rarely if ever participate in new capital stock issues. While some Canadian investment houses are no doubt in a position to underwrite new issues so long as the amount involved is of moderate size, the support of the bank is necessary, either directly as underwriters or indirectly to lend money to investment houses against the bonds pending their distribution to investors.

Enter Syndicates

The practice has arisen of banks and investment houses joining together to tender for public issues where the liability involved has rendered it expedient to do so. The function of the banks in such syndicate operations is to finance the issue for the syndicate from the time it is taken up from the borrower until it is sold or the syndicate dissolved. The banks also bring to the syndicate a moderate amount of distribution of the issue through their branches. As a natural accompaniment of the banks' activities in Dominion Government issues and in syndicate operations, there has been built up a certain retail clientele for certain issues and it has followed that from this clientele a demand has grown up through the banks for old issues that are actively traded in. In recent years, a certain volume of business in listed stocks has been placed through the banks.

Conditions in the bond market since the latter part of 1931 have made it necessary for public borrowers to use other means of disposing of their bonds than by selling them outright through competitive tender. In the majority of cases, such borrowers placed their financing in the hands of their bankers and the latter invited the co-operation of other banks and investment houses in distributing the bonds on a commission basis, no commitment being taken by either the investment houses or the banks concerned. During 1932 and 1933, new issues of provinces and larger municipalities in excess of $150,000,000 have been marketed in this manner. This action by the banks in marshalling the financial machinery of the country to distribute issues at a time when it was not possible to market securities by any other methods was of immense value to the Dominion as a whole. In the current year, some modification of the co-operative marketing plan has been possible and conditions to some extent are favorable to offering for tender new issues of the highest class on the former basis but certain of the provinces and cities still find it necessary to place their issues on the fiscal agency basis with a group of bond houses and banks.

Legislation in the United States appears to preclude banks from underwriting or distributing corporation securities but there is no impediment to their dealing in or underwriting the obligations of the United States government, the state or municipality. In Great Britain, the right of the banks to deal in securities is recognized.

Mining Stock Quotations

Week Ending October 2.

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close Sept. 25 (or last)	High for week	Low for week	Close Oct. 2
1	.02½	.00½	Aconda	7,000	.01	.01½	.01½	.01½
No	.30	.03	Aldermac	9,800	.22½	.24	.22	.24
1	.03½	.01	Alexandria	6,000	.02	.02	.01½	.02
No	.06	.01½	Algoma	77,500	.02	.02	.01½	.02
1	.10½	.00½	Algonquin	7,000	.00¾	.00½	.00½	.00¾
1	.06	.00½	Amity C.	33,700	.03¾	.04	.03½	.03¾
No	.75	.10	Amulet	65,224	.56	.55	.48	.48
1	.01	.00½	Apex	......	.00½	.....	.....	.....
1	.07½	.01½	Area	11,000	.05½	.05	.04	.04½
No	.11	.05½	Arno (new)	8,020	.07	.07½	.06	.06½
1	1.36	.74	Ashley	5,405	1.10	1.20	1.10	1.15
1	.14	.02½	Bagamac	9,500	.04½	.04½	.04½	.04½
1	.03	.00½	Baldwin	21,500	.01½	.01½	.01½	.01½
1	.20	.08	Barry Hollinger	189,350	.09½	.15	.09	.14
1	2.45	.75	Base Metals	19,715	2.00	2.05	1.90	2.04
1	.78	.60	B. E. A. R.	58,200	.71½	.75	.68	.73
1	.40½	.08	Big Missouri	61,570	.20½	.22	.19	.22
1	.44	.44	Big Missouri (new)	3,250	.....	.44	.44	.44
1	.28½	.08½	Bobjo	56,800	.25	.25	.21½	.24
No	13.25	2.28	Bralorne	5,035	12.25	12.50	11.50	11.75
1	.25	.15	Brett Trethewey	16,700	.21	.20	.16	.20
1	.07½	.01½	Brownlee	219,500	.03	.03½	.03	.03½
1	.03	.00½	Buckingham	7,500	.01	.01½	.01	.01
No	.09½	.01½	Buffalo Can.	88,700	.05	.06	.04	.05½
5	20.50	15.40	Bulolo	2,055	19.50	20.50	19.95	20.00
No	.10	.01½	Bunker Hill	128,800	.09½	.10	.08½	.08½
5s	1.25	.60	B'Wana McKubwa	......	.75	.....	.....	.....
No	.05	.02½	Canam Metals	......	.05	.....	.....	.....
1	.12½	.03	Can. Kirkland	67,300	.09	.09½	.08	.09½
No	.48	.32	Can. Malartic	12,392	.41	.46	.40	.46
1	.02	.00½	Capital Rouyn	34,500	.01	.01	.00½	.01
1	.03½	.01	Cartier Malartic	3,500	.01	.01½	.01½	.01½
1	.72	.15	Castle Trethewey	30,344	.55	.55	.49½	.50
1	.20	.06	Cen. Manitoba	242,300	.13	.20	.13	.18½
1	.73	.17	Cen. Patricia	70,700	.70	.73	.65	.68
No	.20	.03	Chibougamau Pros.	72,300	.07	.08½	.06	.07½
No	.12	.03	Church. M & Mill.	62,150	.09¾	.09¾	.08½	.09¾
No	.04	.00½	Clericy	25,100	.02½	.02½	.02½	.02½
1	.03	.01	Clifton Cons.	6,000	.01¾	.01½	.01	.01½
5	9.00	1.65	Coast Copper	745	6.00	5.95	5.25	5.50
1	.15	.00½	Cobalt Contact	119,200	.06½	.06½	.05	.05
1	.33	.05	Columario	10,100	.14	.15	.14	.15
5	1.90	.75	Coniagas	2,000	1.70	1.30	1.25	1.25
No	1.00	.20	Coniaurum	4,150	.80	.82	.75	.82
25	144.00	54.00	Cons. Smelters	6,503	136.50	139.00	132.00	134.00
No	40.00	13.60	Dome Mines	17,395	35.75	37.75	34.00	37.00
No	.15½	.03½	Dom. Explorers	14,000	.06	.06½	.04½	.05½
1	.02½	.00½	Dominion Kirk	55,000	.01½	.01½	.01½	.01½
1	.04	.01	Don Rouyn	5,000	.01½	.01½	.01½	.01½
1	.04½	.01½	Duparquet	1,500	.01½	.03	.03	.03
1	8.10	1.16	Eldorado	36,565	4.20	4.25	3.85	4.00
No	4.55	1.80	Falconbridge	6,310	3.85	3.90	3.70	3.90
1	.06	.01	Federal	19,000	.02½	.02½	.02	.02½
No	.07	.01	Gilbec	25,200	.03½	.03½	.02½	.02½
1	.17	.04	Goldale	12,600	.13	.13	.11½	.12
10	.29	.10	Goldfield	3,100	.22	.21	.20	.20
.	.01½	.01	Gold Reef	......	.01	.....	.....	.....
1	.23	.02	Goodfish	128,400	.13	.23	.12½	.19
1	.04	.01	Graham	4,500	.02½	.02½	.02	.02½
1	1.95	.75	Granada	28,405	.86	.87	.84	.84
1	.18	.06	Grozelle	1,500	.06	.08	.07	.07
1	.45	.24	Halcrow Swayze	4,100	.41½	.42	.40	.42
1	.06	.02	Harker	14,100	.03	.03½	.03	.03½
1	.01½	.00½	Hilltop	11,000	.00½	.00¾	.00½	.00¾
5	11.00	6.00	Hollinger	12,170	10.65	10.75	10.10	10.75
1	1.51	.61	Howey Gold	98,048	1.12	1.17	1.08	1.17
No	12.25	3.10	Hudson Bay	1,840	10.50	10.75	10.00	10.50
No	.55	.25	Huronian	670	.40	.50	.40	.50
1	12.25	8.50	Inter. Mining	......	10.75	.....	.....	.....
No	23.25	8.00	Int. Nickel	68,364	20.50	20.85	19.00	20.40
1	.04½	.00½	Jackson Manion	225,300	.04½	.04½	.04	.04½
1	.70	.20	Keeley	2,400	.52	.55	.54	.54
1	.02	.00½	Keora Mines	2,000	.01½	.01½	.01	.01½
1	.76	.48	Kirk. Hud. Bay	1,900	.55	.60	.55	.58
1	.02½	.00½	Kirk. Hunton	12,000	.00¾	.00¾	.00½	.00¾
1	.52	.30	Kirkland Lake	60,260	.34	.39	.32	.39
1	.04	.01½	Kirkland Premier	5,500	.02	.02	.01½	.01½
1	.52	.12	Kirk. Townsite	21,800	.36	.38	.35	.37
20c	.02½	.00½	Koot. Florence	15,500	.01½	.01½	.01½	.01½
1	.35	.15	Lakeland	10,500	.24	.24	.20	.20
No	.32	.07	Lake Maron	111,200	.14	.15	.12	.15
1	50.00	30.75	Lake Shore	15,104	48.50	50.00	46.15	49.50
1	.23½	.02½	Lebel Oro	35,600	.19	.19½	.16	.16
No	.29	.11	Lee Gold	43,700	.17	.19½	.15	.19
1	1.29	.20	Macassa	377,190	1.05	1.29	1.07	1.24
1	.07½	.01	Malrobic	253,850	.03½	.04½	.01½	.04½
No	.17	.02½	Mandy	3,200	.11	.10	.10	.10
No	.07	.01	Manitoba Basin	35,300	.02½	.02½	.02	.02½
5	47.50	21.20	McIntyre	26,040	43.00	47.05	40.00	46.50
1	.55	.30	McKinley	......	.51	.....	.....	.....
No	.08	.02½	McLeod River	27,000	.02½	.02¾	.02½	.02½
1	.35	.03	McMillan	99,200	.28½	.34½	.28½	.34½
No	1.15	.46	McWatters	47,950	.74	.70½	.55	.55
1	1.05	.15	McVittie	60,954	.95	1.00	.91	.99½
5	1.25	.06	Mentor Exp. & Dev.	......	1.05	.....	.....	.....
1	.45	.30	Metropolitan Gold	9,200	.44	.45	.42	.44
No	2.65	1.20	Mining Corp.	5,670	2.05	2.10	1.98	2.08
1	.05	.01½	Moffatt Hall	23,500	.02	.02½	.02	.02½
1	.12½	.02	Moneta	10,000	.09½	.09	.07½	.08
1	.00¾	.00½	Montreal Rouyn	......	.00¾	.....	.....	.....
No	.12½	.05	Moss (new)	5,150	.05	.05	.05	.05
1	.03¾	.00¾	Murphy	20,000	.01½	.01½	.01½	.01½
No	.06½	.02½	Newbec	11,000	.03¾	.03¾	.03	.03
1	.06½	.01½	Night-Hawk Penn.	11,500	.04½	.05	.04½	.04½
5	3.50	1.15	Nipissing	9,740	2.50	2.70	2.35	2.65
No	39.25	19.75	Noranda	19,617	36.25	36.75	35.00	36.00
No	.52	.32½	Nor. Canada	9,500	.33	.40	.33	.38½
No	.45½	.19½	Normont-Gold	15,335	.45	.45½	.44	.45½
1	.34	.05	Osisko	600	.16	.14	.14	.14
1	.45½	.11	Parkhill	293,100	.32	.45½	.31½	.45½
1	.03½	.01	Pawnee Kirk	1,000	.02	.01½	.01½	.01½
1	.25½	.20	Paymaster	31,080	.25	.25	.23	.24
1	1.80	.50	Pend Oreille	9,475	1.10	1.15	1.04	1.05
1	.04½	.00½	Peterson Cobalt	5,000	.02	.02½	.02½	.02½
1	16.25	4.30	Pioneer Gold B.C.	8,590	11.50	11.75	10.85	11.40
1	.03	.00½	Porcupine Crown	11,500	.01½	.02	.01½	.02
1	.01½	.00½	Potter Doal	......	.01	.....	.....	.....
1	1.60	.55	Premier Gold	10,050	1.30	1.30	1.20	1.25
1	.03½	.00½	Preston E. Dome	5,000	.02	.02	.02	.02
No	1.75	.65	Prospectors Air's	8,750	.90	.91	.65	.69
No	.15	.03	Quemont	1,700	.10	.14	.07½	.12
1	.51	.33	Read Authier	15,100	.40	.43	.35	.43
1	2.75	1.00	Reno Gold	54,717	1.21	1.21	1.00	1.04
1	.03½	.00½	Ribago	28,000	.01	.01½	.01	.01½
1	.03	.01½	Ritchie	66,200	.01	.03	.02	.03
1	.04½	.01	Robb Montbray	......	.02½	.....	.....	.....
1	1.60	.75	San Antonio	48,688	1.40½	1.60	1.30	1.55
1	.07	.02	Seven Troughs	......	.07	.....	.....	.....
1	1.90	.38	Sherritt Gordon	25,683	1.32	1.33	1.25	1.28
1	1.78	1.25	Siscoe	55,221	1.48	1.50	1.45	1.49
1	.10½	.02½	South Keora	3,500	.03½	.04	.03	.04
No	.07½	.01½	Stadacona	134,900	.04	.04½	.03½	.03½
1	.60	.07	St. Anthony	24,300	.40	.40	.32	.38
No	2.21	.60	Sudbury Basin	4,000	1.55	1.52	1.45	1.50
1	.15	.00½	Sudbury Contact	35,800	.09½	.12	.08	.11½
1	.02	.00½	Sudbury Mines	7,500	.01½	.01½	.01	.01
No	.25	.16½	Sudbury Nickel	......	.22	.....	.....	.....
1	.38½	.14	Sullivan	17,400	.17	.17	.14	.16
1	1.44	.72	Sylvanite	34,400	1.27	1.27	1.18	1.21
1	.03½	.01½	Tashota	......	.01½	.....	.....	.....
1	7.25	3.70	Teck Hughes	30,175	6.60	6.80	6.40	6.60
1	.20	.03	Thom. Cadillac	12,800	.15	.15	.14	.15
1	.61	.10	Towagmac	8,300	.50	.48	.44	.47
1	3.00	1.00	Treadwell	1,100	1.65	1.68	1.30	1.51
1	.25	.04	United Kirkland	33,500	.21	.25	.20	.23½
No	.06½	.01½	Vacuum Gas	5,500	.02	.02	.01½	.01½
No	2.40	.30	Venezuela	......	1.06	.....	.....	.....
No	1.50	.80	Ventures	53,840	1.00	1.00	.90	.97
1	.22	.02	Vickers	3,500	.02½	.02½	.02½	.02½
1	.72	.20	Vipond	7,500	.54	.54	.50	.54
No	2.55	.35	Waite Ackerman	6,000	1.60	1.51	1.40	1.42
50c	.75	.33	Wayside	102,650	.49	.51	.44	.46
No	.29	.24	White Eagle	31,550	.26	.26	.24	.25
1	.08	.02½	White Lake	2,000	.04½	.04½	.04½	.04½
1	.28	.02	Wiltsey Coughlan	34,800	.18	.18½	.15	.18
1	.27	.06	Wood Kirkland	20,300	.06½	.09	.06½	.09
No	8.60	3.73	Wright-Hargreaves	30,420	7.90	8.25	7.60	8.15
			OIL STOCKS					
No	.32	.07½	Acme Gas & Oil	37,300	.20	.20½	.17½	.18½
No	.01	.01	Advance Oils	......	.01	.....	.....	.....
1	.04½	.04½	Admiral	......	.04½	.....	.....	.....
1	1.60	.55	Ajax	18,300	1.20	1.35	1.25	1.31
1	.68	.05	Alta. Pacific	4,800	.25½	.25	.20	.20
1	.20	.05	Amalgamated	5,100	.16	.15	.15	.15
No	1.10	.04½	Associated	11,400	.30	.30	.24	.24
No	.26	.01	Baltac	4,025	.08	.08	.07	.08
No	2.50	.25	Calgary & Ed.	1,250	1.40	1.25	1.18	1.20
1	.45	.03	Calmont	1,800	.14	.14	.12	.12
1	.25	.03½	Common. Pete.	......	.10	.....	.....	.....
No	2.50	.11	Dalhousie	4,700	.60	.61	.55	.55
No	.19	.02	Devenish	5,950	.14	.14	.12	.12
No	.55	.05½	East Crest	16,098	.39½	.38	.32	.33
No	.36	.22½	Erie Gas	1,400	.25	.28	.24	.25
No	.02	.00½	Fabyan Pete.	387,250	.01½	.01½	.00¾	.01½
No	1.75	.06	Foothills	25	.50	.40	.40	.40
No	.28	.06	Freehold	5,100	.13	.13½	.11½	.12
No	.12	.01½	Hargal	4,030	.10½	.10½	.09½	.10
No	4.05	.30	Home	15,880	2.10	2.15	1.85	2.04
No	.05	.02½	Homestead	......	.02½	.....	.....	.....
1	.25	.10	Homestead O. & G.	7,000	.15½	.16	.14½	.14½
No	.47	.10	Lowery	100	.25	.35	.35	.35
No	.06½	.03	Madison	21,350	.05½	.05½	.04½	.04½
No	.20	.05½	Marjon Oil	1,000	.12	.13	.13	.13
1	1.85	.14	Mayland	......	1.40	.....	.....	.....
No	.10	.03½	McD. Segur Ex.	12,500	.07	.06½	.06½	.06½
.	.08½	.05½	McD. Segur N.	......	.07	.....	.....	.....
1	1.10	.25	McLeod	1,200	.40	.43	.42	.42
No	.30	.07½	Mercury	38,330	.18	.20	.17½	.18
No	.45	.11	Merland	600	.30	.30	.30	.30
.	.01½	.01	Mid West	......	.01½	.....	.....	.....
No	.35	.09	Mill City Pete	1,500	.15	.19	.18	.18
1	.50	.12	Model	4,350	.36	.36	.30	.30
5	.30	.09	Nordon	13,000	.14	.14	.12½	.13½
No	.12½	.02½	Oil Selections	54,400	.08	.08	.05½	.05½
No	.20	.04½	Okalta	400	.08½	.08½	.08	.08
No	.61	.20	Olga Gas & Oil	10,300	.37	.37	.33½	.34
1	.25	.13	Petrol Oil & Gas	1,000	.20	.18	.18	.18
No	.02	.02	Richfield	......	.02	.....	.....	.....
No	23.00	5.75	Royalite	795	16.00	15.60	15.00	15.60
1	.25	.05	Sarnia Oil	6,100	.12	.12½	.11½	.12½
No	.45	.04	South West Pete.	1,200	.22½	.20	.15	.15
1	.39	.06	Spooner	300	.23	.24	.24	.24
No	.75	.12	Sterling Pacific	200	.39	.38	.32	.32
.	.43½	.43½	Trinidad Oil	......	.43½	.....	.....	.....
No	.25	.03	United	7,200	.10	.09½	.08½	.09
No	.25	.06	Vanalta	......	.16	.....	.....	.....
No	.08	.00½	Wainwell	10,500	.08	.08½	.02½	.02½

VANCOUVER STOCK EXCHANGE

(Transaction for Week to September 26.)

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close Sept. 19 (or last)	High for week	Low for week	Close Sept. 26
25c	.03	.00½	Bayview	5,000	.02	.01	.01	.01
20c	.10½	.02½	Beaver Silver	10,500	.08½	.09	.07½	.07½
25c	.17	.03	Big Slide	500	.03	.04	.04	.04
25c	.06½	.02	Bluebird	7,500	.02½	.03	.03	.03
No	13.00	1.88	Bralorne	6,750	12.85	12.95	11.90	12.50
1	.57	.05	Bridge River Cons.	22,700	.37	.38	.34	.34
50c	.71	.35	Bridge River Expl.	39,100	.45	.48	.43	.46
100	89.00	88.50	B. C. Electric, pfd.	......	88.50	.....	.....	.....
1	1.50	.60	B. C. Silver	......	1.00	.....	.....	.....
No	.82	.52	Burns Mountain	......	.55	.....	.....	.....
1	4.60	1.50	Cariboo Gold	38,900	4.30	4.35	3.75	3.75
No	12.90	5.60	Coast Breweries	55	10.60	11.00	10.60	10.60
25c	.02½	.00½	Cork Province	......	.01	.....	.....	.....
1	.05	.02½	Cotton Belt	......	.05	.....	.....	.....
1	.08	.01½	Dalhousie Mines	9,000	.03½	.03	.03	.03
1	.21½	.02	Dunwell	26,850	.13	.20	.14	.20
1	1.00	.28	George Copper	......	.36	.....	.....	.....
50c	.12	.03	Geo. Enterprise	1,000	.03	.03	.03	.03
1	.09½	.02	Georgia River	20,300	.04½	.04½	.03½	.03½
1	.60	.16	Golconda	4,100	.37	.38	.35	.35
50c	1.25	.40	Gold Belt	2,325	.60	.60	.60	.60
1	1.50	.95	Golden Belle	......	1.50	.....	.....	.....
50c	.11	.03½	Grandview	16,200	.04½	.05½	.04½	.04½
1	.01½	.00½	Independence	......	.00½	.....	.....	.....
1	.03½	.01	Indian Mines	......	.02½	.....	.....	.....
1	.17	.08½	Inter. Coal	......	.14	.....	.....	.....
1	.36	.36	Jack Waite	......	.36	.....	.....	.....
50c	.57	.26	Kootenay Belle	2,850	.28	.29	.26	.28
25c	.04	.00½	Kootenay King	......	.01½	.....	.....	.....
25c	.01	.00½	L. & L.	......	.00½	.....	.....	.....
1	.01	.00½	Lakeview	6,000	.00½	.00½	.00½	.00½
10c	.06½	.01	Lucky Jim	3,400	.03½	.05	.04	.04
50c	.01½	.00½	Marmot Metals	6,000	.00½	.00½	.00½	.00½
10c	1.05	.20	Meridian Mines	44,700	.45	.46½	.40	.40
5c	.13	.04½	Metaline Metals	......	.05½	.....	.....	.....
.	.01	.00½	Mohawk	......	.00½	.....	.....	.....
.	.17	.10	Mogul	30,500	.10	.12	.10½	.11½
50c	.41	.18	Morning Star	23,750	.27	.27	.24	.25½
1	.06	.00½	Morton Woolsey	......	.03	.....	.....	.....
1	.20	.05½	Native Sons	22,900	.09½	.09½	.08½	.08½
50c	.10½	.05	National Silver	35,100	.07	.07½	.06½	.06½
50c	.96	.74	Nicola	14,180	.90	.93	.88	.92
50c	.21½	.02½	Noble Five	41,500	.13½	.13½	.11½	.11½
50c	.01	.00½	Oregon Copper	......	.01	.....	.....	.....
1	.35	.20	Pavilion	......	.20	.....	.....	.....
1	1.25	.40	Pioneer Extension	......	1.10	.....	.....	.....
1	16.10	4.30	Pioneer Gold	5,315	13.00	12.75	11.25	11.25
1	.11	.10	Planet	......	.10	.....	.....	.....
50c	.19	.04½	Porter Idaho	7,000	.12	.13	.11½	.12
No	.04	.00½	Premier Border	14,000	.02	.02	.02	.02
1	.10	.02	Quatsino Copper	5,000	.04	.03½	.03½	.03½
No	.42	.10	Reeves McDonald	......	.20	.....	.....	.....
1	.30	.25	Reliance	......	.27	.....	.....	.....
1	2.70	.60	Reno Gold	19,050	1.32	1.31	1.16	1.16
1	.22	.04	Reward Mining	6,600	.11½	.12	.08½	.08½
1	.10	.01	Rufus Argenta	7,000	.04½	.04½	.04½	.04½
1	.07	.01	Ruth Hope	......	.02½	.....	.....	.....
1	.65	.40	Sally Mines	950	.46	.48	.45	.45
1	.15	.03½	Silverado	1,600	.09	.08½	.08	.08
25c	.09	.01	Silver Crest	13,200	.04	.04	.03½	.03½
20c	.03½	.01½	Silversmith	......	.02	.....	.....	.....
50c	.04½	.01	Snowflake	1,200	.01½	.01½	.01½	.01½
25c	.06	.06	Sonora	......	.06	.....	.....	.....
1	.61	.40	Standard Gold	......	.40	.....	.....	.....
1	.50	.20	Sunloch	25	.25	.24	.24	.24
5	.40	.20	Toric	......	.40	.....	.....	.....
50c	.03½	.01	Topley Richfield	500	.01½	.01½	.01½	.01½
50c	.72	.08	Wayside	58,800	.50½	.52	.47½	.47½
25c	.12	.01½	Waverly Tangier	111,550	.04½	.04½	.03½	.03½
20c	.05	.01½	Wellington	11,900	.02½	.02½	.02½	.02½
No	.36	.25	White Eagle	4,200	.26	.27	.25	.26
1	.18	.03	Whitewater	3,300	.09½	.09½	.08	.08
1	.48	.40	Yankee Belle	......	.42	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	8c.	6.10	McLeod Oils‡	5c.	.....
Coast Brew.	92c.	.....	Mercury Oils	4c.	.....
Coniagas‡	12½c.	.....	Merland Oils‡	5c.	.....
Coniaurum†	3c.	.....	Noranda‡	50c.	.....
Cons. Smelters*	10%	.....	Petrol Oil	°2c.	.....
Dome Mines	$1+55c.	4.19	Premier	12c.	9.60
Falconbridge	20c.	.....	Pioneer, B.C.	60c.	5.26
Goldfield Cons.‡	5c.	.....	Royalite	50c.	.....
Hollinger	65c.+10c.	6.97	Siscoe	12c.	8.05
Howe Sound	$1	.....	Sterling Pacific Oil‡	3c.	.....
Int. Coal & Coke‡	2c.	.....	Sylvanite	4+3½c.	.....
Lake Shore	$2+$1	6.06	Teck-Hughes	60c.	9.09
McIntyre	$1+75c.	3.76	Wright-Har.	20c.+10c.	3.68

*Stock. ‡Interim. †Initial. °Paid in 1932.

Unlisted Mining Stocks

October 3, 1933

	Bid	Ask		Bid	Ask
Abana	.03	.06	Lake Malartic	1.00	1.10
Adanac G. Un.	100.00	...	Little Long Lac	.68	.72
Aischbach Gold	.04	.06	McCarthy Webb.	.06½	.08
Athadome	..	.12	McChesney Moss Un.	30.00	35 00
Arntfield Gold	.60	..	MacKenzie Red Lake	.47	.52
Arntfield Synd.	.45		Man. & Eastern	.03	.04
Astoria Royun	.02	.03½	Maple Leaf M.	.27	.29
Bathurst	.02½	.04	Matachewan Can.	.08	.12
Beattie	1.46	1.52	Mecca Gold	.20	.23
Bidgood	.02	.03	Metals Develop.	.04	.06
Brubaker Units	..	300.00	Minaker Kirk.	.35	..
Buff. Ankerite	1.00	1.20	Mindoka	.01½	.03½
Bussieres Min.	.20	.30	Minefinders	1.00	..
Can. Pandora	.23	.27	Minrand Gold	.25	.33
Can. Radium	.08	.11	Montreal-Alb. Petroleum	.38	..
Canusa Gold	.01½	.03	N.A.M.E. Units	4.50	6.00
Cochenour-Wil. Units	15.00	20.00	Normetal Min.	.50	.75
Continental Gas	.12	.15	Northl'd Pros.	500.00	700.00
Continental Kirk.	.04	.06	N'W Que. Pros.	15.00	22.00
Crown Reserve	.01	.02½	Old Colony	.00½	.01½
Delta	50.00	70.00	Opemiska Copper	.02	.04
Dentonia Mines	.20	.25	Oro Grande Dev.	.50	.75
Dorval Siscoe Units	12.00	19.00	Pandora	..	.32
Dunkin	.01	.02	Peninsular Pet.	.01	.01¾
Dunlop Cons.	.06	.07½	Pontiac Rouyn	.38	.42
Eagle Oil	1.20	1.35	Quebec Pros.	.80	..
East Rouyn	.15	.18	Queen Label	..	.03
Echo Bay Explor.	..	.18	Rubec Mines	.02	.03
Elbow Lake-Shore Un.	..	50.00	Silveradium Un.	75.00	..
Fairmac Un.	..	10.00	Smelter Gold	.34	.36
Fiske Gold	.01	.02	Sourdough Un.	6.00	10.00
Flintoba	.00¼	.01	South Tiblemont Units	40.00	42.00
Galatea Units	30.00	50.00	Sun Bear	.30	.35
Glenora Gold	.39	.43	Sunorca Explor.	1.15	1.25
God's Lake	.75	.77	Swayze Contact	.16	.18
Gr. Bear Lake	.35	.40	Tiblemont Island	.14	.15
Greene Stabell	.50	.55	Tom Montgomery Un.	125.00	175.00
Hayden Gold	..	.06	Tyrrell Tp. McN.	..	40.00
Holytrex	.01	.03	West McWatters Units	..	15.00
Horseshoe	.14½	.15½	Young Davidson	.24	.26
Island Lake	.15	.20			
Kenty Gold	1.44	1.48			
Kirk. Divide	.20	.25			
Kirk. Gold	..	.25			
Lake Geneva	.20	.25			

The above table is made up from quotation sheets of several brokers. The Financial Post does not guarantee the quotations but can supply any subscriber with the name of the broker from whose sheet any particular quotation was taken.

Metal Prices

New York—October 3—
Copper: Electrolytic spot, 9c. lb.
Silver: 39⅝c.
London—October 3—
(Long Ton)—
Copper: Electrolytic spot, £38 10s; future, £39.
Standard spot, £34 15s; future, £34 17s 6d.
Tin: Spot, £220 10s; future, £220 10s.
Lead: Spot, £11 17s 6d; future, £12 5s.
Zinc: Spot, £16 12s 6d; future, £17.
Silver: 18 5-16d. per ounce.
Gold: 134s 8d.
Canada—October 3—
Gold: $32.83.

The Week in Mining

Next Provincial Geologist

THE demise of Dr. A. G. Burrows, late provincial geologist of Ontario, leaves open a position that is one of the most important in Ontario mining circles. The rapid expansion of the mining industry in Ontario and the high position it has assumed in world mining affairs make it imperative that the filling of this position should receive careful and serious consideration by the Minister of Mines.

A position of this kind should be filled by a geologist who not only has acquired high academic distinction but who is above all thoroughly conversant with the geology of the pre-Cambrian shield in Canada, who has had wide field experience to enable him to render real assistance to the prospectors, and who can therefore guide them in combing the favorable formations in the search of mines.

Within the Ontario Department of Mines and among former members of its geological staff, are many mining men of distinction from which to draw.

Many former members of the staff of the Ontario Department of Mines have distinguished themselves in private practice and in working for big mining companies have acquired experience and knowledge that would be invaluable to a provincial geologist. Existing men in the department have had broad field experience and thoroughly understand the requirements of the prospectors working in the field.

Seniority has long been an axiom within the ranks of the government employees. It is the one hope of the qualified and ambitious man that some day he may reach the highest government position in his chosen profession. If this incentive is destroyed by introducing men without departmental experience, it would be tantamount to a suggestion of weakness within the mines department, a suggestion that would not be justified but which by its very unfairness might lead towards disintegration.

* * *

World Gold Market

IMPORTANCE of London as a world gold market is revealed in a study made by the U. S. Commerce Department's Finance and Investment Division which points out that the outstanding position of the British capital as a gold centre is due to five principal factors:

(1) Great Britain's leadership and wealth.

(2) The fact that the bulk of the world's new gold is produced in British countries.

(3) The fact that a large number of regular transportation lines not only ensure the prompt delivery of gold in London, but also the prompt transfer from London to practically any part of the world.

(4) Tradition.

(5) The existence of well-established and highly-specialized firms dealing in bullion.

Because of those factors, the marketing of the world's gold centres in London. Indeed, that city is the only place where there is an organized, permanent market for gold, distinct and apart from the Treasury and the Central Bank.

It is interesting to note that the suspension of the gold standard on Sept. 21, 1931, was not permitted to interfere with the operation of the London gold market. It is true that for some time a great deal of the world's newly-produced gold thereafter found its way to the ultimate buyer without passing through London in the usual manner.

That situation has since been changed, and the market now operates normally. Under the gold standard, the London price of gold was held within very narrow limits, owing to the fact that the British Treasury, through the Bank of England, stood ready at all times to buy and sell gold at fixed buying and selling prices.

Now that the gold standard is in suspension, the pound sterling naturally fluctuates, in terms of gold and, conversely, the price of gold in terms of pounds sterling is no longer held within any definite limits, the study reveals. When the Bank of England wishes to buy gold it must purchase in the market like any buyer and bid the market price, which is today considerably above the statutory buying price of the British mint.

Canadian Mining News

Beattie Now Treating 800 Tons of Ore Daily Roasting Plant Mooted

New Prices For Gold Give Big Boost to Initial Effort

On September 30, the third ball mill of Beattie Gold Mines was put into operation, boosting the capacity to 800 tons daily. Very little information of an official nature has come from the property, which is under the direction of Ventures, Ltd., but The Financial Post is reliably informed that operations are taking on an increasingly important aspect as the price of gold soars to new record levels.

The grade of ore currently being treated averages about $4.40 per ton with gold at the standard value of $20.67. The recovery is just under $4 per ton, which just about equals mining and milling costs, leaving the exchange compensation or the increased value of gold as profit from which must be defrayed the cost of smelting the concentrates. Not only is the mill, which is regarded as a pilot plant as compared with larger operations, giving a good account of itself, but ore developments are taking an unexpected turn with the possibility of a new lens of ore lying adjacent to the main ore body. This was encountered in the new main production shaft development and has not been heretofore publicly commented on.

Big Programme Mooted

In the entire zone, explored by diamond drilling, over 5,000,000 tons of ore, better than $3 per ton, has been indicated above the 500-ft. level, while diamond drilling to the 1,000-ft. level has also encountered ore. Although the ore is of low grade, the present price of gold materially alters the mine's possibilities. Coupled with low mining and milling costs, it gives the undertaking a chance as one of the big gold mining enterprises under way in Canada, hampered only by metallurgical problems yet unsolved. The ore is of an arsenical nature, which is not amenable to the ordinary cyanide treatment in vogue in leading gold camps in the Dominion. As a consequence, a high ratio concentrate is made and shipped to Tacoma, Wash., for smelting. Naturally, this involves high transportation costs in addition to smelting charges, but was resorted to as one of the exigencies of the speedy development of the property, pending a more thorough study of a lower cost metallurgical programme.

Roasting Being Considered

Investigation has been conducted toward meeting the situation by cyanide treatment, but according to indications and observations about the plant roasting or smelting is now under consideration by officials. It is understood that the smelting contract has about 18 months to run, so some move may be expected soon. Certain objections confront this type of treatment because the poisonous arsenic fumes from the smelter would destroy vegetation and would probably not be countenanced by the Quebec government. This, therefore, involves a plan to recover the arsenic rather than to eject it into the atmosphere. The roasting or smelting of the ore likewise calls for heavy capital expenditures, estimated at not less than $250,000, a sum which is not readily available from either Ventures, Ltd., or Nipissing Mining Co., sponsoring the enterprise. Ventures, Ltd., has stock control of the company, while Nipissing Mining Co. has put up most of the cash for a minority interest.

Financing is Obstacle

If a roasting project is proceeded with Nipissing must be looked to for finances as Ventures is known to have been hard pressed to keep up its end of the financial commitment. Here again there is a deadlock, The Financial Post is reliably informed, because Nipissing would not advance further funds without stock control of the company, which it does not at the present time possess, and Ventures Ltd. is reluctant to lose control.

While the company is said to be showing an operating profit from its initial production, the ultimate development of the property in a really large scale operation is deemed dependent upon the successful solving of its metallurgical problems and the maintenance of the price of gold at higher than the normal value of $20.67 per ounce.

Reno Stepping Mill Up to 100 Tons Daily

From Our B.C. Mining Correspondent

VANCOUVER. — Additional milling machinery is to be installed at the Reno Gold Mine with a view to increasing the capacity of the mill to 100 tons a day, according to an announcement made here by I. M. Marshall, general superintendent of the company.

Work will commence immediately upon the new three-compartment shaft from the fifth level of the mine, to pick up the main ore body at depth.

McWATTERS FIND NOT ENCOUNTERED IN DEEP WORK YET

Limited Underground Work Far from Disproves True Possibilities

Developments at the McWatters Gold Mines in Rouyn township, some seven miles southeast of Noranda, are being aggressively pursued, but officials of the company told The Financial Post they regard it as no more than a prospect, whose profitable mine-making potentialities have yet to be proved.

It is only about a year since the property was staked and at that time it attracted considerable attention for the high-grade surface showings. The company was formed nine months ago, and since that time a speedy and well directed programme, amply financed, has been under way by experienced mining men. A shaft has been sunk to a depth of 400 feet and three levels opened up. On the 125 and 250-ft. levels the vein has been intersected by a crosscut and some 250 feet of drifting done on each level east and west from the crosscut. On the third or 375-ft. level crosscutting has just reached the vein and drifting is starting.

Cash Position Good

On the two levels opened up the limited amount of work done has shown values to be erratic and not typical of the surface showings. This may be explained by the fact that developments have not yet encountered the ore shoot found on the surface, due to the ore shoot raking at an angle not yet fully determined.

From the work done the potentialities of the property cannot possibly be conclusively proved one way or the other and work will be speedily pressed on all levels, following the original programme of development planned.

The treasury of the company is in a good position with some $70,000 to continue development, which at any time might completely change the mine-making aspects.

ALDERMAC'S MILL SOON AT 300 TONS

New Business in Offing as Facilities Assure Steady Supply

Production has been resumed at the Aldermac pyrite-copper property in the Rouyn area of Quebec and operations are now in full swing at a rate of approximately 200 tons daily, which is to be stepped up to 300 tons this month.

A recent order for pyrite assures steady production for several months while important new business is pending. A recent visitor to the property represented a potential buyer of large quantities of pyrite, but before making commitments and placing orders wanted the assurance that Aldermac's facilities for production and ore reserves would maintain a constant source of supply.

It is understood that he was highly impressed with the company's fine new mill, which by minor refinements can be brought up to 500 tons daily capacity.

DUNWELL MINES TO RESUME WORK REFITTING MILL

Milling Operations to Start in March of Next Year

From Our B. C. Mining Correspondent

VICTORIA, B.C.—For the first time since the end of 1926 just after it had been built, the mill of the Dunwell Mines on Glacier Creek in the Portland Canal district, will commence operations some time in March, 1934, it was decided at the annual general meeting of the company here on Sept. 26.

Robert Stewart, president of the company, who made the announcement, stated that results during the last twelve months under a lease system had been more than satisfactory, but that in view of the fact that gold was now fetching more than $30 an ounce and that silver had also advanced in price, the management had decided to operate the mine. After some changes in the plant process, the mill will be started up to handle about 40 tons a day, but as production proceeds and providing recovery is satisfactory, it will be stepped up.

Much of the mill equipment sold to the Bralorne Gold Mines is now to be replaced. Last year a number of former employees approached the company and secured permission to carry out leasing operations which netted $13,294.

NEW PILOT TAKES CHARGE OF MINE AT GRANADA GOLD

Deep Development and Extensive Lateral Work Forebodes Lean Ore

A change in the management has been made at the Granada Gold Mines, due to the resignation of Claude Ferguson, who for the past two years has struggled to bring the property to a profitable basis. His successor is Chas. Hirschman, an engineer formerly employed by C. V. Bob, of New York who at one time had extensive operations in Canada.

That developments at the Granada have not produced the desired tonnage is made evident by the fact that the extensive development is not reflected in greater tonnages treated after three years of production. In order to facilitate its search for ore the main 2½ compartment exploration and production shaft has been deepened to 1,900 ft. on a projected programme to 3,000 ft. depth. Coincident with this shaft-sinking programme extensive lateral work has been under way. It was not until the completion of this new shaft that exploration could proceed without interruption to the production programme.

Few Official Statements

No official statement on ore treated and production has been made since the end of the fiscal year, June, 1932. Up to that time the mine had produced 5[illegible],557 tons of ore from which had been recovered $500,000 in gold exclusive of exchange compensation.

To finance the extensive exploration programme various option agreements on stock have been made with New York interests.

The absence of official statement regarding the company's production and ore position is, according to officials, in deference to the wishes of the New York fiscal agents.

Stock at Low Level

While results at Granada, both in ore output in sight and in profit from operations, have not been up to expectations, the possibilities of the company's extensive holdings have not been conclusively settled one way or the other.

The market value of the stock has been reflecting the uncertainties of the property and it is currently selling at 84 cents per share, a new low price, after selling at $2.35 per share in 1931 and as high as $1.95 per share in February of this year.

N. A. Timmins Inc. Drills Mallard Township Find

The first diamond drill hole has been completed on the Mallard township property staked this summer by Edward Ferland and associates, but until the present programme of five holes or a total of some 1,000 ft. of drilling is completed the cores will not be sent out for assay.

The property was among the first staked in the area and now the entire township is reported to be staked solid. The area is reached from Biscostasing station on the main C. P. R. line west of Sudbury.

N. A. Timmins Inc. has an option and is doing the diamond drilling. The surface showings were of a most interesting nature with consistent commercial values over good widths and lengths.

South Africa Gold Output Declines During August

According to London advices the Transvaal gold output continues to decline in consequence of the treatment of lower-grade ore which the high price now obtainable for gold makes possible at a substantial profit.

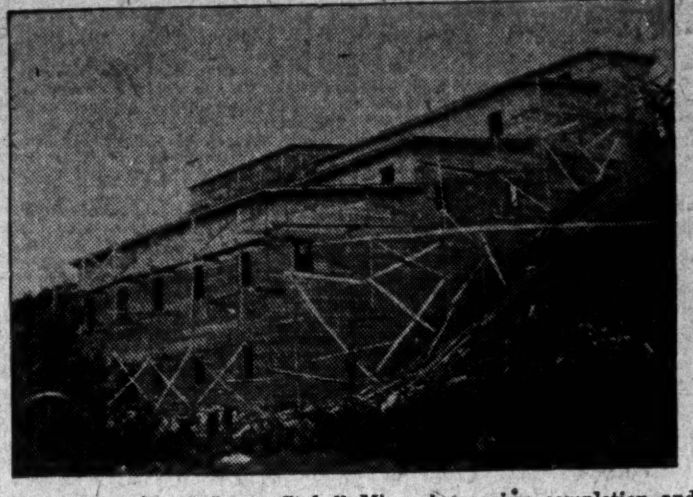
August production of 934,714 ounces compared with 991,322 in August, 1932, while every month this year has seen a decline compared with last year. The total output for the first eight months was 7,414,814 ounces against 7,657,764 in the same period of 1932.

Index to Mining Stocks

The weighted index numbers of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 114.5 for the week ending September 28, as compared with 116.7 for the previous week.

Eleven gold stocks from 110.3 to 108.9, four gold-copper stocks from 152.6 to 148.6, and five silver and miscellaneous stocks from 46.1 to 41.9.

Greene Stabell Mill Nearly Ready



The 100-ton mill of Greene-Stabell Mines is nearing completion and will swing into production in October, upon arrival of minor plant equipment. Development to the 600-ft. level several years ago delimited an ore shoot above the 450-ft. level, which has been estimated to contain $500,000 in commercial ore. Future development is directed at an effort to extend the known ore zone. The profit in the known ore is expected to return the cost of mill construction, while the search goes on for additional ore.

Howey's New Mill Addition Is Tuned In On Schedule

Capacity Has Been Increased About 40 Per Cent — Gloomy Outlook of Two Years Ago Completely Changed

Exceeding its schedule by a few days the new mill addition at Howey Gold Mines was brought into production last week, increasing the milling capacity from 900 to 1,200 tons daily. At the annual meeting, held last March, shareholders were told the new addition would be in operation by October and no disappointments have been met in the programme. With the milling rate increased from 800 to 1,100 tons, the ore hoisted for treatment will be increased to approximately 1,400 tons daily or a boost in capacity of approximately 40 per cent, because about 300 tons of ore will be sorted out in the mill before milling starts.

It is anticipated that, with the increased production, a lower grade of ore will be treated, but due to the decreased cost of operations the profit per ton will remain about the same.

Lowest Costs in Canada

The grade of ore treated by Howey is the lowest of any Canadian gold mine, but reductions in operating costs have also made it the lowest cost operator in Canada, even though it is in an isolated territory, 110 miles from the railway, with no other producer in the area.

When production started in April, 1930, the success of the operations was shrouded in considerable doubt. Not only did the grade of ore prove disappointing, but trouble was experienced in getting the mill up to capacity which, coupled with a debt of some $600,000, nearly sunk the enterprise.

In 1931 F. D. Reid was made general manager and H. C. McCloskey joined the Howey board to lend their years of successful mining experience in Cobalt to the Howey undertaking. How successful the enterprise has been is told by the wiping off of the $600,000 debt at the end of 1932.

Successful as has been the mining operations, the steadily advancing price of gold has been more apparent in this company's operations than probably any other Canadian gold producer. Now, with increased milling facilities made secure by ore developments, the company is fast piling up a surplus for a dividend, which R. T. Birks, president of the company, expects to be declared before the end of 1933.

WILTSEY-COGHLAN DIAMOND DRILLING IS ENCOURAGING

Dike Cut at 930 ft. — Surface Work in New Area Assays Well

Initial drilling operations at the northerly end of the Wiltsey-Coghlan Mine, adjoining Noranda Mines, are viewed as distinctly encouraging by officials of the company. The first hole, put down at an angle of 70 degrees, has encountered a diabase dike at a depth of 930 feet, thought to be the one projected from the Noranda property, but which is so covered with overburden as to defy detection, on the surface.

Working on the theory that the main Horne fault, together with the diabase dike and general fracturing, extended across the northerly end of the Wiltsey-Coghlan property, a diamond drill campaign was started in August to check these geological theories. This initial hole is currently at a depth of approximately 1,400 feet and at a depth of about 1,600 feet it is anticipated that it will cut the main Horne fault.

New Area Assays Well

This section of the property is seen as extremely interesting because of the possibility of extension of the Horne fault and the proximity of the acid and basic lava contacts. It is all the more interesting because on the west side of Osisko Lake, a little over a mile away, and on the strike of the lava there is an open cut on the Horne property in what is known as fluxing ore, giving values of over $4 per ton in gold. The initial diamond drilling hole will be carried beyond the fault, anticipated at a depth of about 1,600 ft., to establish the contact between the acid and basic lava flows at depth.

An interesting new development at the property south of the bay from Osisko Lake is a mineralized chloritic schisted andesite formation which has given encouraging values in gold. Further trenching is to be done in this area.

Ventures Stops Work at Sullivan Claims

Development at Sullivan Consolidated Mines has again been interrupted with the suspension of operations on September 30.

No official statement has been forthcoming from the company, which is headed by Thayer Lindsley as president, but it has been mooted for some time that work would likely be suspended. This year the shaft was deepened from 250 ft. to the 375 ft. horizon and drifting done to establish the possibilities of the extension of the "A" vein at that level. The vein was intersected in May of this year and at that time it was reported that assays showed a fair grade over a narrow width.

Whether results were not satisfactory or the option terms not attractive to Ventures Ltd., which has been directing and financing the programme, is not disclosed.

More Money for Roads Into Bridge River Area

From Our B. C. Mining Correspondent

VICTORIA.—An additional sum of $5,000 has been placed at the disposal of the Public Works Department by the Department of Mines it was announced here this week, for purpose of opening up more roads in the Bridge River section of the province. This latest grant brings the total by the Government to $20,000 this year.

Road improvement work was started early in the year to clear the way for heavy traffic on the main highways around Barkerville and Quesnel.

Cariboo Gold Shows Profit In First 6 Mo.

Cariboo Gold Quartz Mining Co. has made good progress with its initial production programme, according to official figures just given The Financial Post. At the annual meeting of shareholders held on May 28 last, the report presented showed that in the 118 days the mill had then been in operation, 5,077 tons of ore had been treated producing 1,520 ounces of gold bullion, which had an approximate value of $38,000. This was equivalent to approximately 42 tons daily and an average recovery of $7.60 per ton. A better picture of the progress made is shown for the period ended July 31, when the total value of the gold production reached $121,605. By deduction the 76-day period, following the annual meeting, indicates the recovery of $83,600 from approximately 4,500 tons of ore treated or an average recovery of $18.30 per ton—over $1,100 daily. Official figures also show that in spite of the fact that the mill was running on a reduced rate and being tuned up, that for the period ended June 30, 1933, a modest operating profit accrued before depreciation and development costs of some $31,000.

Strong Cash Position

The financial statement as at June 30, 1933, also reflected a very healthy financial position with current assets of $400,000 of which $346,000 was cash. This position reflected the sale of 237,833 treasury shares, bringing the total outstanding as at June 30 to 1,211,133.

It is the intention of officials to prepare as speedily as possible the mine for a 1,000-ton mill and to this end O. H. Solibakke is en route to England to market sufficient treasury shares to put $1,000,000 in the company's treasury ready to finance mill construction just as soon as mine conditions warrant.

Beaver Silver Shipment Nets $2,147 for 41 Tons

From Our B. C. Mining Correspondent

VANCOUVER, B.C.—The first carload of 41 tons of ore shipped to the Trail Smelter from the Beaver Silver mine, netted the company $2,147 after smelter charges and transportation costs had been deducted, according to an official announcement made here today.

Negotiations are reported under way with Montreal interests, who plan taking a substantial interest in the company, thus permitting the opening up of veins on several of the existing levels and enabling the company to ship on a much larger scale.

"More Gold!"

Gold Bullion to the standard value of 47 million dollars, or 53 million dollars in Canadian Funds, was produced by the Mines of Ontario in 1932. This is a record annual output, being an increase of 4 Million Dollars in standard value over the output for 1931.

Ontario Gold Mines have paid dividends to the end of 1932 amounting to $135,104,303. Dividends for 1932 amounted to $16,015,018.

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McMILLAN GOLD BULK SAMPLING CHECK CLOSELY

Independent Report Indicates at Least 50,000 Tons of $10 Ore

McMillan Gold Mines which resumed development at its property at House Lake, Mongowin township, Sudbury district, Ontario, last August, has had a thorough check and bulk sample made of the ore opened up on the various levels, by Jas. G. MacGregor, Toronto geologist.

Thirty-nine roof samples were secured, and around ten tons of ore broken down. Each sample was cored and quartered and about one ton shipped for assay.

These samples checked very favorably with the sampling previously done by the company's engineer, also by Percy Hopkins.

The results of the recent bulk sampling were as follows:

Ore Body	Average Width	Length	Gold per ton
325' Level			
C	50.25"	215	$8.76
D	42.0"	44.8	7.39
E	48.0"	58	12.33
F	50.0"	50	12.50
525' Level			
H	48.0"	200	7.33
I	43.5"	52	13.04

Excerpts from the report of Mr. MacGregor are as follows:

Since the ore-bodies have not been fully opened up on all levels, it is not at present permissible to make anything more than a general estimate of indicated ore. This estimate cannot include the length of high-grade ore exposed on surface for a length of seventy feet, and cut at a vertical depth of 185 feet by a diamond drill hole which intersected three feet of ore running $16.20 per ton. Nor can the estimate include the ore body known as "J" lying to the east of the main workings on the 525 foot level, no work having been done on the upper levels.

50,000 Tons Indicated

Leaving out the above mentioned ore occurrences, which, upon further development will undoubtedly yield further tonnages, and assuming that the bodies C, D, E, F, H and I, which are exposed on the 325 foot level, maintain their present grade and dimensions to surface, there would be a gross indicated tonnage of around 50,000 tons having an average grade of between $9 and $10 per ton. This tonnage however, must in nowise be interpreted as "blocked-out" or even "probable-ore," it being only in the nature of indicated ore pending the completion of the necessary work on the upper levels.

From a geological viewpoint, therefore, it can be stated that the property possesses ore-bearing structures of singular importance; and that, apart from the present drag fold in which the known ore bodies are found, there exist several other points of structural interest that might be expected to respond as favorably. The mine's possibilities, in short, are not confined to a limited area, and exploration carried out at the points of attack suggested above may result in the development of much more important tonnages than are presently indicated.

Shaft Sinking Starts On Sudbury Con. Option

Shaft sinking has commenced at the Woodcock-Russell property in Bousquet township, Quebec, under option to the Sudbury Contact Mines. Surface work has been under way on the property this summer.

The company, incorporated in 1927 to develop a lead-zinc prospect in Fairbank township, Sudbury district, has conserved its resources and has something like $100,000 in its treasury to finance its new programme. Operations are under the direction of H. S. Denny, consulting engineer and president of the company.

Sale of Home Oil Leases is Open to Negotiations

Improved conditions for Home Oil Co. and the prospect of selling Turner valley leases were reviewed by Col. Nelson Spencer, president, at the annual meeting of shareholders in Vancouver.

The company, he pointed out, owed no debts and all its assets were paid for. In addition to its Turner Valley wells, it had $75,000 in Dominion of Canada bonds and $30,000 cash in the savings account. It had a 25 per cent interest in the Home Oil Distributors, and substantial holdings of mining stocks, including 1,500 of Pioneer, 2,000 of Bralorne, 250,000 shares of P. E. Gold Mines Ltd., 2,000 shares in Plutus, 5,000 in Dan Tucker 66,666 shares in Placer Engineers and 4,000 in Reno.

The 250,000 shares in P. E. Gold Mines had cost the Home Oil nothing. The company had a larger holding, but portion of it was sold at a profit and the shares the company now held were actually free of cost to the company.

Dan Tucker and Plutus, with P. E. Gold, were all likely to get closer because of a pooling agreement which the Home Oil Company had in regard to them.

In reply to questions regarding the Home Oil Distributors, W. J. Blake Wilson, president of that company, stated it was holding its own against all competition.

A question was asked as to whether there had been any negotiations for the sale of the company's oil interests in Turner Valley, to which the president said that no avenue was closed that might result in making money for the shareholders. There was no negotiation in that connection closed.

In regard to the improved financial position in Home Oil Company, it was explained that this was due to adjustments made with Imperial Oil largely through the activity over the past fifteen months of Major James Lowery. Mr. Lowery explained that there had been differences between the Home Company and Imperial in the interpretation of matters of costs. The Home Oil's view eventually obtained a revision.

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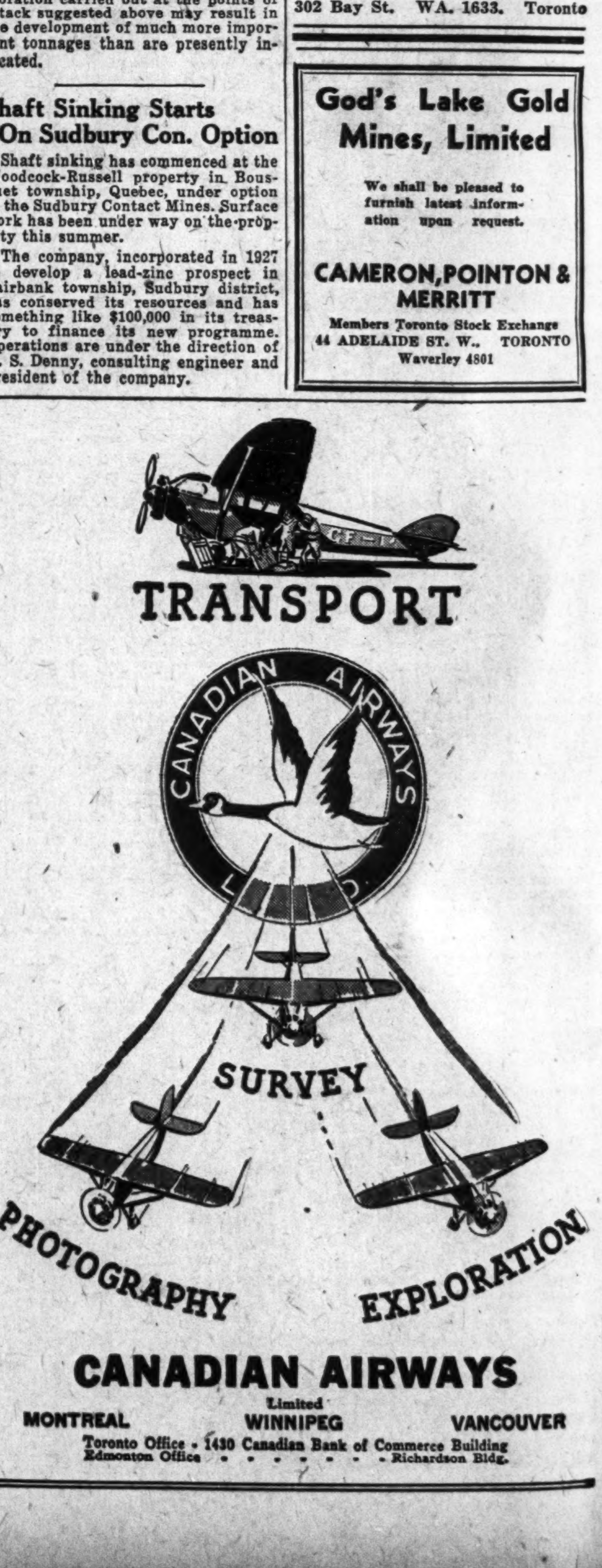

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